

JPRS-NEA-85-060

26 April 1985

Near East/South Asia Report

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

26 April 1985

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

ARAB AFRICA

ALGERIA

| | |
|--|---|
| ALMAP Acquisition of Fishing Vessels Reported (EL MOUDJAHID, 15-16 Feb 85)..... | 1 |
| Customs Clearance Procedures Simplified (EL MOUDJAHID, 17 Feb 85)..... | 3 |
| Significant Decrease in Forest Fires in 1984 Noted (EL MOUDJAHID, 20 Feb 85)..... | 4 |
| Fertilizer Production Increase To Meet National Demand (EL MOUDJAHID, 20 Feb 85)..... | 5 |

EGYPT

| | |
|---|---|
| Siraj-al-Din, al-Talmasani Give Religious Views (Majdi Sirhan; AL-WAFD, 7 Mar 85)..... | 8 |
|---|---|

ARAB EAST/ISRAEL

ISRAEL

| | |
|---|----|
| Center for Artificial Intelligence Established (MADA', Sep 84)..... | 13 |
| More Money Needed for Intelligence (Eran Shenkar; BAMAHAANE, 30 Jan 85)..... | 14 |

| | |
|---|----|
| Robot Used at Iscar Blades Factory (MADA', Sep 84)..... | 15 |
| Heavy Cutback at Israel Shipyards Planned (Gali Etzion; BAMAHANE, 23 Jan 85)..... | 17 |
| Israeli Businesses Investing in Ciskei (El'azar Levin; KOTERET RASHIT, 13 Feb 85)..... | 19 |
| Funding for Oil Exploration Company Questioned (Kl'azar Levin; KOTERET RASHIT, 27 Feb 85)..... | 23 |

LEBANON

| | |
|--|----|
| Decline in Trade, Rise in Debt Analyzed (Jamal Mansur; AL-IQTISAD WA AL-A'MAL, Jan 85)..... | 28 |
| Bank President Assesses Nation's Finances (Nu'man al-Azhari Interview; AL-IQTISAD WA AL-A'MAL, Jan 85)..... | 31 |
| Economist Charts National 'Social' Crisis (Adnan Hamdan; AL-IQTISAD WA AL-A'MAL, Jan 85)..... | 33 |
| University Officials Discuss Branch Extensions in al-Biqa' (Joseph I. Rahmah; AL-NAHAR AL-'ARABI WA AL-DUWALI, No 401, 7-13 Jan 85)..... | 39 |

SOUTH ASIA

BANGLADESH

| | |
|---|----|
| Reportage on Visit of PRC Friendship Delegation (THE BANGLADESH TIMES, 1 Mar 85; THE BANGLADESH OBSERVER, 10 Mar 85)..... | 51 |
| Speeches on Reception | 51 |
| Meeting With Ershad | 52 |
| Netherlands Minister Talks to Press on Departure (THE BANGLADESH OBSERVER, 2 Mar 85)..... | 54 |
| Ershad Declares End to 'City-Based Politics' (THE BANGLADESH OBSERVER, 3 Mar 85)..... | 55 |
| Industries Minister Reports on Export Earnings (THE BANGLADESH OBSERVER, 6 Mar 85)..... | 57 |

| | | |
|--------|--|----|
| Paper | Summarizes, Comments on National Water Plan (THE BANGLADESH TIMES, 6, 9 Mar 85)..... | 59 |
| | Report on Plan | 59 |
| | TIMES Editorial | 60 |
| Papers | Report on Problems of River Water Sharing (THE BANGLADESH OBSERVER, 13, 16 Mar 85; THE NEW NATION, 16 Mar 85)..... | 62 |
| | Problems Caused by New Dam | 62 |
| | Talks on Teesta Dam End | 64 |
| | More on Problems Caused by New Dam | 65 |
| | Editorial Reviews Situation | 66 |
| Briefs | | |
| | Jute Export Registration | 69 |
| | Portuguese Ambassador's Credentials | 69 |
| | Chittagong College Closed | 69 |
| | Reaction to Tin Bigha | 70 |
| | Illiteracy in Bangladesh | 70 |
| | Envoy to Guinea | 70 |
| | Social Welfare Minister | 70 |
| | Ambassador to Japan | 70 |

INDIA

| | |
|---|----|
| Importance of Rao's Visit to Moscow Noted (THE TIMES OF INDIA, 9 Mar 85; THE HINDU, 9 Mar 85)..... | 71 |
| TIMES News Service Report | 71 |
| High-Tech Items To Be Discussed, by G. K. Reddy | 72 |
| Reportage on Visit of PRC Trade Delegation (Various sources, various dates)..... | 74 |
| Chamber of Commerce Pact | 74 |
| Businessmen's Meeting in Delhi | 75 |
| Joint Ventures Discussed | 75 |
| Analyst on Selection of Congress-I Chief Ministers (G. K. Reddy; THE HINDU, 8 Mar 85)..... | 77 |
| Presidential Aide's Tenure Extension Vetoed (THE TIMES OF INDIA, 9 Mar 85)..... | 79 |
| Indian Reserve Bank Further Tightens Credit (THE TIMES OF INDIA, 9 Mar 85)..... | 81 |

IRAN

| | |
|--|-----|
| U.S. Said To Refrain From Attacking Iran Because of Fear (ETTELA'AT, 2 Mar 85)..... | 82 |
| Government's Responsibilities Toward People Discussed (KEYHAN, 19 Jan 85)..... | 85 |
| Khamene'i Urges Spread of Islam in All Muslim Nations (SOBH-E AZADEGAN, 10 Feb 85)..... | 88 |
| 'Weak Points' of UN Report Discussed by Permanent Delegate (ETTELA'AT, 26 Feb 85)..... | 95 |
| UN Report on POWs Said To Have Been 'Distorted Again' (ETTELA'AT, 3 Mar 85)..... | 99 |
| Wealthy Individuals Must Pay Taxes (KEYHAN, 26 Jan 85)..... | 101 |
| Musavi-Ardabili: Professors Must Be Provided Housing (KEYHAN, 21 Jan 85)..... | 102 |
| Cultural Attaches Urged To Export Islamic Revolution (ETTELA'AT, 3 Mar 85)..... | 104 |
| Expansion of Commercial Relations With PRC Cited (ETTELA'AT, 4 Mar 85)..... | 106 |

PAKISTAN

| | |
|---|-----|
| Government Urged To Publish Humoodur Rahman Commission Report (Editorial; NAWA-I-WAQT, 15 Feb 85)..... | 109 |
| Pitfalls in Elections on Nonparty Bases Depicted (Chaudry Mohammad Akran; NAWA-I-WAQT, 20 Feb 85)..... | 112 |
| NWFP Governor Comments on Tribal, Government Dispute (Murtaza Malik; THE MUSLIM, 1 Apr 85)..... | 114 |
| Israeli Threat to South Asia Viewed (N. H. Hashemy; THE PAKISTAN TIMES, 1 Apr 85)..... | 115 |
| Prime Minister Urged To Work for Clean Administration (Editorial; DAWN, 1 Apr 85)..... | 119 |

ALGERIA

ALMAP ACQUISITION OF FISHING VESSELS REPORTED

Algiers EL MOUDJAHID in French 15-16 Feb 85 p 3

[Article: "Algeria-Mauritania: Strengthening of the ALMAP Joint Fishing Company"]

[Text] The Joint Algerian-Mauritanian Fishing Company (ALMAP) has just been strengthened by the acquisition of six new fishing units. Involved are 6 23 meter trawlers, 3 of which belong to ENAPECHE and 3 others to operators in the private sector. Held on Thursday at the Oran port, an official ceremony before the departure of these vessels for Mauritania was attended by the wali, local authorities and representatives of ALMAP, ECOREP and ENAPECHE, and was presided over by Mustapha Benzaza, acting member of the Central Committee of the FLN Party and vice-minister responsible for the fishing industry.

On this occasion, the vice-minister responsible for the fishing industry noted that the ceremony contributed to strengthening cooperation between the two sister countries of Algeria and Mauritania in the interests of the two Maghrebin peoples.

Speaking of the participation of units in the private sector, Benzaza noted that, particularly in the area of the fishing industry, this sector plays an important role in the national economy, considering the means for involvement available to it and seeing it as a complement to the state sector. The vice-minister in charge of the fishing industry pointed out that the present participation of private sector units in the economic effort gives concrete shape to the goals of the political leadership for the mobilization of all the resources of the different sectors in the general interest.

The joint company ALMAP now totals a fleet of 13 units, playing an important role in the promotion of the fishing industry and of cooperation between the two countries.

Earlier, the vice-minister responsible for fisheries and the delegation accompanying him went to the Fisheries Technical Training School, established near the quays reserved for fishing.

During his visit of the various lecture halls and workshops, Mustapha Benzaza gained insight on the training given young people in this establishment which has been operational since 1984 and currently has an enrollment of about 100 young people in 3 different specialities, affecting basically the fishing industry and maintenance.

Mustapha Benzaza insisted with the teaching authorities on better follow-up of young apprentices, their assignment within the fishing industry, and finally on the popularization of the new fishing techniques and methods.

Since its opening, the school has trained more than 200 young people in the three specialties. Two new departments for the training of engine mechanics and mates will be established when the next term begins at the Oran Fisheries Technical Training School.

9824

CSO: 4519/109

ALGERIA

CUSTOMS CLEARANCE PROCEDURES SIMPLIFIED

Algiers EL MOUDJAHID in French 17 Feb 85 p 3

[Article: "Single Model for Customs Declarations: Instead of the 30 Documents Previously Required"]

[Text] As part of its program for the computerization of customs clearing operations and with the desire to simplify current customs procedures, as of 6 April 1985 the Customs Office will begin using a single model for customs declarations.

This single model has the advantage of replacing the multitude of declarations required until now, and will be used regardless of the customs system assigned to the imported or exported merchandise.

Computerized processing, moreover, will enable users to have the benefit of their goods after the shortest delays, thus gaining an appreciable amount of time.

A practical user's guide will accompany the single declaration model.

It may be noted that the declaration and the practical guide will shortly be available in the three most used languages: Arabic, French, and English.

Moreover, the Customs Department is organizing information seminars throughout the country for those whose job it is to perform customs duties, for the purpose of familiarizing them with the use of this new declaration model.

This file will be communicated to the management of the various companies under supervision who are advised on the one hand to provide themselves as soon as possible with the declarations necessary for the performing of customs clearing operations which are to be used as of 6 April 1985, and on the other hand to participate actively in the study and information sessions organized by the specialists of the Customs Office.

ALGERIA

SIGNIFICANT DECREASE IN FOREST FIRES IN 1984 NOTED

Algiers EL MOUDJAHID in French 20 Feb 85 p 12

[Text] The national commission for the protection of forests met yesterday at the main office of the Ministry of Hydroelectric Energy, Environment and Forests to take stock of forest fires recorded during the 1984 season, particularly in the light of steps taken for prevention, surveillance and intervention in collaboration with certain state organizations.

The meeting, chaired by Aissa Abdellaoui, the vice minister responsible for the environment and forests, was attended by the secretary general of the Ministry of the Interior and Local Organizations, the Chlef wali who is also the president of the interministerial commission for the control of the effects of natural disasters, and the general director of civil defence. The representatives of several ministries and organizations remotely or immediately concerned with involvement in activities for the protection of the national forest heritage also took part in the meeting.

Speaking before the members of the commission, the director of the forest protection agency noted that analysis of the results of the 1984 season showed a total burn area of 4,731.84 hectares, of which 1,754.27 hectares were forest areas, 1,175.75 hectares were scrub land and 1,801.82 hectares in brush, covering a total of 562 fires recorded. He indicated that a notable decline in the burn areas had been observed in comparison with 1980 (19,730 hectares burned), 1981 (20,928 hectares), 1982 (7,355 hectares) and 1983 (102,592 hectares).

The speaker explained the decline in the number of fires and the amount of ensuing damage by the institution of some measures in the organizational plans, and the strengthening of the means of prevention and primary intervention.

9824

CSO: 4519/109

26 April 1985

ALGERIA

FERTILIZER PRODUCTION INCREASE TO MEET NATIONAL DEMAND

Algiers EL MOUDJAHID in French 20 Feb 85 p 12

[Text] Export perspective: development of the existing production potential will in the future make it possible to meet fertilizer needs completely.

The goal of national self-sufficiency in fertilizer was the subject of a series of measures for the reorganization and stimulation of production, ordered by the Council of Ministers meeting last Wednesday under the chairmanship of Chadli Bendjedid, president of the republic and secretary general of the FLN party.

These measures have the particular purpose of removing the difficulties of the production plants, improving coordination between producers, distributors and users, and increasing production and the percentage intended for export.

The national fertilizer industry has shown definite progress, according to the authorities concerned, and during the second 5-year plan (1985-1989) will meet the local demand for at least the majority of different types of fertilizer, and will also produce surpluses for export beginning in 1985.

Some figures advanced do indeed testify to positive development. In 1984, the total production of fertilizer, estimated at 500,000 tons, met 92 percent of the needs in agriculture, and in 1985 should total 630,000 tons for an expected demand of 740,000 tons.

These amounts, grouping all types of fertilizer, reveal the persistence of a relatively large deficit caused by a sharp increase in demand.

As a result, export possibilities will affect certain qualities while others will continue to be imported, according to the development of the pattern of national demand.

Since 1967, Algeria has progressively equipped itself with a basis for fertilizer production capable of meeting its needs. However, such activity, necessitating large, permanent investments as well as complex technology, for a long time came up against difficulties in technical control, particularly in the area of the struggle against harmful operation effects, such as corrosion.

Efforts to meet virtually all national needs seem to have been hindered by a long period of stabilization and mastery of fertilizer producing plants.

The fact remains that the production potential established in the two industrial centers of Arzew and Annaba is capable of eventually achieving the strategic goal of self-sufficiency.

The Arzew ammoniac and nitrate fertilizer complex is made up of nine plants, two of which (an ammoniac plant and the nitrogen [word illegible] plant) are undergoing renovation and will start up again, the first in 1985 and the second during the current 5-year plan.

The Annaba phosphate and nitrate fertilizer complex integrates all the fabrication processes and has 10 production units. Among them, the ammoniac and central utilities units (installations for the production of fluids necessary for the production process) will start up in 1985 and 1986.

In addition to these utility installations, the two Arzew and Annaba complexes have facilities for storage, packaging, and shipping primary products and processed products which, despite their large volume, must still be developed in order to guarantee better adequacy of production and distribution.

The production of phytopathological products, which complete the action of soil fertilizers by protecting vegetation against insects and harmful weeds, remains fairly embryonic. It is restricted to the formulation or simple "mixing" of products based on imported and some national primary products.

Production is carried out by four plants established in Mascara, Beni-Mered, Hussein-Dey (Algiers) and Baraki, which process about a dozen products representing the largest part of national consumption, estimated at an average of 20,000 tons per year. The imported remainder totals approximately 2,000 tons per year.

Fertilizers and phytopathological products occupy an increasingly important place in agricultural production, and call for the establishment of advisory structures above all for private agricultural operations, and closer collaboration between producers and users.

This approach seems to be the best way to appreciate the real needs of the soil both in quantity and in quality, and to produce in consequence. In depth study of soils (pedological maps) is also necessary for the adjustment of supply and demand.

Moreover, national mining resources already brought to light, such as the gas and phosphates on which the production of chemical fertilizers is based, offer possibilities for production development and, at the same time, for the valorization of these primary products in the form of processed products with an appreciable added value. A guide plan, which may soon be formulated, will integrate the Tebessa phosphate fertilizer project.

The plan will take into account the economic integration objectives of the different industrial sectors in order to ensure the greater involvement of national potentialities.

The fertilizer sector thus seems to be on the right track to satisfying the demand of agriculture, and eventually to guaranteeing the country's future food requirements.

9824

CSO: 4519/109

EGYPT

SIRAJ-AL-DIN, AL-TALMASANI GIVE RELIGIOUS VIEWS

Cairo AL-WAFD in Arabic 7 Mar 85 p 5

[Article by Majdi Sirhan: "Fu'ad Siraj-al-Din Speaks Before the Religious Affairs Committee of the People's Assembly; We Demand Elimination of All Flaws in Current Laws That Contradict Shari'ah"]

[Text] Wafd leader Fu'ad Siraj-al-Din spoke last Sunday before the Religious Affairs Committee of the People's Assembly about the party's viewpoint on applying the Islamic Shari'a. He emphasized that Wafd considers the Shari'a the main source of legislation and demanded that the current laws be purged of all flaws incompatible with the Shari'a's provisions. In his speech, Siraj-al-Din dealt with the problems facing the Islamic Call internally and externally and demanded that al-Axhar regain its former international status so as to lead the religious enlightenment. He proposed the return of the senior ulema body to include the rector of al-Axhar and the mufti by election.

The Muslim Brotherhood's General Guide, Umar al-Talmasani, also spoke before the committee about the mainstays of an Islamic society, and Wafdist opposition leader Muntaz Nassar spoke about the Wafd's belief in the application of the Islamic Shari'ah.

Fu'ad Siraj-al-Din's talk alluded to two main subjects: first, the application of the Islamic Shari'ah's provisions and, second, the Islamic Call.

The Wafd leader began his speech with the subject of the Islamic Shari'ah. He said:

"As for the application of the Islamic Shari'ah's provisions or, more accurately, purging the current laws of all the flaws that are incompatible with the Shari'ah's provisions, this is something agreed upon and accepted by all. There is no political party that has not dealt with this question in its platform. The Wafd mentioned that clearly in its 1977 and 1983 platforms for it believes that the Islamic Shari'ah is the main source of legislation. This means that all our legislation must be free of any stipulation that conflicts with the Islamic Shari'ah. I totally agree that this should be done in a scientific and well-considered manner and I condemn any attempt to make this lofty principle--the principle of applying the Islamic Shari'ah--a matter for oneupmanship sloganeering and personal propaganda.

"The Shari'ah is greater and weightier than to be a theatre for such propaganda and oneupmanship: We are all Muslims who totally believe in the religious provisions and not one of us denies or ignores this principle. There are laws, most of which are derived from the Islamic Shari'ah. Indeed, French law itself, in many of its provisions, is drawn from the Islamic Shari'ah. This is a well-known fact. Therefore, I do not see that this matter is a problem, but it requires determination and good intentions. I thank God that all of us, rulers and ruled, have agreed on this."

Siraj-al-Din directed a wish at Dr Rif at al-Mahjub, who said in his speech that the assembly is now looking into the amendment of the commercial maritime law, saying:

"I have a request to add to what Dr Rif at al-Mahjub said, which is that while the assembly is looking into the commercial maritime law, there is nothing to prevent the Legislative Committee from looking into the other laws, especially the civil law which is the basic law for government services in Egypt, in order to save time."

The Islamic Call Question

The Wafd leader went on to talk about the second question, the Islamic Call in Egypt. He began by talking about the present conditions of al-Azhar, saying:

"Allow me to be somewhat candid. The Islamic Call was originally entrusted to al-Azhar. Unfortunately, al-Azhar that used to be the lighthouse of Islam throughout the Islamic world and which has been active for over 1,000 years is, and I hope I am wrong, not what it used to be. Al-Azhar law was amended a few years ago with amazing speed, hundreds of articles in a few hours, without sufficient examination or extensive study. The first and primary concern of al-Azhar is no longer purely religious, as it used to be, and al-Azhar is no longer the Islamic lighthouse and qiblah in the Islamic world, as it used to be. Rather, its main concern is a scholastic university like the rest of the universities throughout Egypt. We heard Shaykh Farhud and you noticed that the great part of his talk dealt with various colleges and graduates: who is accepted and who is rejected by these colleges, and other purely collegiate matters. This is what is distracting al-Azhar leaders and scholars and the al-Azhar tasks of sponsoring and spreading religion and propagating the Islamic Call. Let al-Azhar University be like any other university, but let it not be the foremost concern of al-Azhar."

Selection of al-Azhar's Rector by Election

Siraj-al-Din demanded the reinstatement of al-Azhar as the lighthouse of the entire Islamic world, outlining the path for realizing this goal in the following points:

--That the rector of al-Azhar be selected through election by the scholars and professors and not by government appointment; the same thing goes for the position of mufti. The leaders and scholars of al-Azhar are better able to assume al-Azhar rectorship or the important office of mufti.

--That the senior scholars body be reinstated in its previous form, for there is absolutely no reason to abolish such a body.

Islamic Call Abroad

Siraj-al-Din moved on to the Islamic Call outside Egypt. He said:

"The call outside Egypt is completely isolated. About these Islamic centers, to which Dr Farhud referred in his talk, I do not know if they are centers set up by the government or al-Azhar or are the result of individual pressures. Last year, I was in Germany, in Munich to be exact, where I saw the Islamic center and its branch in Frankfurt. It is a center with which the Egyptian government has nothing to do but, unfortunately, to the contrary. It is a private center which undertakes individual endeavors financed by some Islamic states. However, Egypt, through either the government or al-Azhar, does not contribute 1 millieme to it. Rather, I heard that the center asked for the loan of one al-Azhar professor to work there, with expenses paid by the center itself, but this request was categorically rejected. And yet it is said that we are spreading the Islamic Call abroad! On the contrary, we are putting obstacles in the way of spreading this call."

The Wafd leader went on to say: "The Islamic center in Munich is the pride of those who set it up and who run it. It is an Islamic school that accommodates Muslim children in Munich and Frankfurt. It is a joy to see that thousands of Germans have converted to Islam through this center. There is also a library, a school and a mosque and it meets all the needs of the Islamic Call. This center has branches in Germany, and the result of this private effort, to which the state did not contribute in any way, is the conversion of thousands of Germans to Islam. I saw some of them praying and trying to understand the Islamic religion. So why does the government or al-Azhar not set up such centers in the various countries of the world?"

Siraj-al-Din wondered about the effect of the Egyptian Islamic Call in Sudan, saying there is no trace of it despite the supposed integration between these two countries. He demanded that efforts be undertaken in behalf of the Islamic Call in southern Sudan, for example, which has not yet known any of the revealed religions. He related the Wafd's efforts, when it was in power in 1950, to spread the Islamic Call in Sudan. He said:

"[Former prime minister] al-Nahhas [Pasha], God rest his soul, made great efforts with the then-British governor general to get approval to dispatch one envoy for the Islamic Call to southern Sudan. And since we are on the best of terms with Sudan and there is integration between us and them, and since we are Muslims and maintain strong friendly relations with Sudan, why not take advantage of this situation to set up Islamic centers there and send preachers to them?"

At the end of his speech, Siraj-al-Din demanded that a true Islamic society be created in Egypt, besides the application of the provisions of the Islamic Shari'a. He said:

"We in Egypt are not making any efforts to create such an Islamic society. On the contrary, we are working toward undermining it. As Dr Farhud said, there

are certain base serials and licentious programs shown on TV. They reach every household and are watched by our children. Every day we see stark examples of violations of religious law. The Islamic religion is not merely a bunch of set provisions. It is practice, behavior, values and examples that we must follow. All these licentious scenes we and the young people see everyday in al-Haram [the Pyramids] Street must be banned and dealt with. We must seriously work toward the creation of a true Islamic society; hence, I believe that if we truly want to work seriously and not just talk and write reports, we must face all these matters with candor."

Umar al-Talmasani's Speech

As soon as Siraj-al-Din finished his speech, the Muslim Brotherhood's General Guide, Umar al-Talmasani, began his speech about the creation of a society ready to apply the Islamic Shari'a. He said:

"The Prophet of God, God bless him and grant him salvation, when he undertook his call, there was no society for such a call. It was described in the Koran that "they were in manifest error." This means that the spreading of the call or the application of the Shari'a must not stop so as to prepare a society able to undertake such an application. The society we live in is surrounded on all sides by problems and difficulties, some of which are external and some internal. Perhaps the harmful and corrupt apparatus that has caused the young people's morals to reach the low level from which we are now suffering is the TV set, as so many persons and reformists have often pointed out, but this falls on dead ears. I do not know how governments can accept such an evil.

"We want a courageous and ambitious, not a crooked, youth. We want a youth that fights for its country, its religion and its homeland. How can we have this kind of youth when the TV displays such shameful pictures and the female announcers look like fashion models, talking with a venerable shaykh with crossed legs, and we say nothing about it! Sorry, I want the picture to be a beautiful Islamic portrait, a decent, honorable and dignified lady so that our young girls may see how the announcer must look so as to emulate them. Islam is not against art, but wants it to be art for the sake of virtue, not art for the sake of art, as they say. Islam is not a religion of unhappiness nor is it a religion of gloom. It is not just a religion of the beard, but rather one that knows hard work and purity of the heart. It knows how to guide the Muslims from the inside as well as the outside. I do not know why we let our writers attack Islam in the press! If a girl or a lady wears decent attire, it is called apostasy!"

Step by Step

Al-Talmasani continued: "We do not want to apply Islam all at once: "The good is obvious and the bad is obvious." Alcohol is forbidden and that is that. Gambling and theft are two things that are settled and we are not in the process of formulating new legislation. However, it is the method that counts: how to carry out these tasks in such a way as not to fall into the same trap as others. If we were to be patient and proceed step by step, it would be good. We must not take another step before ensuring that the previous one is

established and before preparing the proper climate for it. If it is said that Islam is a whole and cannot be taken in parts, I do not say that we are taking a part of Islam and leaving the other parts. I say it loud and clear that the Muslim Brotherhood a long time ago called for the application of the Islamic Shari'ah. But wisdom, while being aware of the circumstances that surround us internally and externally, dictates that we be patient and follow the path that can actually lead us to the goal we want to achieve. It has been said that we are suffering the residuals of the past 30 years. Misfortunes and disasters have settled on the head of this country, one disaster after another, and the present regime is trying to make amends. I call upon the people, all the people, to cooperate with whoever is trying to make amends. If some deputies came in with certain specific ideas and actually opposed the government, they did so not for the sake of opposition, but to state the truth. If the government offers a good law or good legislation, the whole country applauds it. But if it offers something else, we oppose."

Mumtaz Nassar's Speech

Justice Mumtaz Nassar, leader of the Wafdist opposition [in the People's Assembly], spoke about the matter of amending the laws in accordance with the Islamic Shari'ah. He said:

"The Wafdist parliamentary body fully believes in the application of the Islamic Shari'a and in the absence of any law that conflicts with its stipulation. Here, I would like to add something about our history with regard to amending laws in accordance with the Shari'ah. This history began with the second legislative session in 1976 when the assembly bestowed upon me the honor of being selected the chairman of the Civil Service Law Committee. A select group of ulema and I held several meetings in this regard. Before the end of the legislative session, I was removed from the committee's chairmanship and all our efforts came to a halt. As assembly members, we began urging steps for the completion of the civil law amendments in accordance with the provisions of the Islamic Shari'ah. Meanwhile, the Court of Cassation's general assembly handed down a decision that the civil law, in its entirety and its essence, be based on the Islamic Shari'a. We demanded that the civil law be prepared for referral to the legislative committee. When the third session began, I was able to return alone without my brothers who rejected Camp David. I was, at the time, a member of the Legislative Committee and we kept up our demand for the application of the Shari'a. We came to the assembly demanding the winding up of the civil law and the evidential law bill, and presented assessments of these laws. We agreed upon the formation of the subcommittees, a committee for civil transactions and one for the divine statute law. With respect to my work as overseer of the Civil Transactions Committee, we accomplished our work and submitted a report to the Legislative Committee. But when the legislative session was coming to a close, the committee was unable to re-examine the report we prepared. Therefore, what was said about this matter is inconsistent with the facts."

ISRAEL

CENTER FOR ARTIFICIAL INTELLIGENCE ESTABLISHED

Jerusalem MADA' in Hebrew Sep 84 pp 258-259

[Article: "Artificial Intelligence and Computerized Vision"]

[Text] Computer technology has already embraced many advancements and innovations in the rapidly developing area of computers. In order "to stay in the picture" an International Center for Artificial Intelligence and Computerized Vision is being set up at the Weizman Institute of Science.

The office of Science and Development, under the auspices of the National Council for Research and Development, has allocated a special sum to development of the computer branch in Israel and one of its first activities has been support for the establishment of the above center. As its first activity the center will concentrate on the computerized vision branch.

There is wide demand for computerized vision in several areas, including robotics, visual scanning of components, automatic creation of navigation maps, etc. The potential market for systems in the area is great. The value of the forecast market in coming years, for visual scanning of components in the area of electronics alone, is estimated at more than a billion dollars per year.

The center will focus on this, as was mentioned, and also on activity in central topics in the realm of artificial intelligence, which today is the central focus of activities in the area of computer science. The first systems of this type are beginning to appear on the market and they will, in the opinion of experts, cause revolutionary changes in several areas. Professor Shimon Ulman, who recently returned from 10 years of activity at the MIT laboratory for artificial intelligence in the United States, will supervise the center's activity at the Weizman Institute. Faculty members who will participate in the center's activities include Dr Ehud Shapira, who will be in charge of development of special computer languages required for this type of system. These languages are special in that they are logical languages, similar to spoken languages as opposed to existing computer languages, which are calculated.

It should be assumed, then, that the future generation of computers will be capable of seeing, speaking, and exercising intelligent judgment.

9182

CSO: 4423/20

ISRAEL

MORE MONEY NEEDED FOR INTELLIGENCE

Tel Aviv BAMAHA in Hebrew 30 Jan 85 p 5

[Article by Eran Shenkar: "Chief of Intelligence: More Must Be Invested in the Entire Intelligence System. Council for National Security Will Not Be Able To Take Responsibility"]

[Text] "During this period of budgetary cuts in the budget for the security system and for the fighting units, more must be invested in all the intelligence networks of the State of Israel," thus stated the chief of Military intelligence, Gen Ehud Barak, last week at the Hebrew University at Mount Scopus in Jerusalem.

In the opinion of Ehud Barak, improvement in the means of data collection for intelligence will compensate for the cuts in the number of fighting forces.

"Israel can prepare for a surprise attack by placing many fighting troops in the border areas or by increasing her advance warning ability. The first possibility is not acceptable, since most of the army is in the reserve and because of the high expense of such deployment. Therefore, the right solution is to invest more in intelligence," said the chief of Intelligence.

However, he emphasized, it must be remembered that the intelligence system can not serve in place of the fighting units and can not prevent the enemy from executing its plans.

As to a national security council, Gen Barak stated that he has no objection to its establishment, and the heads of the various branches of intelligence will cooperate with it. However, in his opinion, its benefit is limited for there will now be an additional body which receives all reports. In his opinion such a council will be unable to take upon itself the responsibility for evaluation of the national situation.

9182

CSO: 4423/20

ISRAEL

ROBOT USED AT ISCAR BLADES FACTORY

Jerusalem MADA' in Hebrew Sep 84 p 259

[Article: "Robot in Production of Blades for Jumbo Jets"]

[Text] The robotics era has become a fact here and in various plants the "dummies" can be seen going full steam. One of the most sophisticated robots in the country was installed recently in the production line of the "Isicar Blades" plant in Nahariya. The robot, a Puma 760 by America's Unimation Company, has six axes or six degrees of freedom,* (i.e. it can move horizontally in every possible direction) and a seventh axis has been incorporated as well, a travelling axis--it move on a track and concurrently serves six machines for welding. It can lift up to 10 kilograms, serves a radius of 1.25 meters and achieves a level of accuracy within a tenth of a millimeter.

The robot moves on a track, between two parallel lines, in each of which there are three machines for grinding the sides and face of the blade. Alongside each machine are placed trays of unprocessed blades which have only undergone the tempering process. The arm of the robot grabs an unprocessed blade from the tray and carries it to one of the free machines to be processed, following an order from the control system. At the end of the processing procedure the robot moves the blade to the tray of processed blades. In this fashion the robot moves from machine to machine, executing the action of loading or unloading.

During the process of adapting the robot to the special needs of the plant, due to problems rising from the geometric complications of the blade, a means was found to coat the blade in the processing machine. In cooperation with the engineers of the "El Ad Engineering" consulting company, for this purpose a special joint was developed which provides the robot's grasp with four additional degrees of freedom, thus making possible exact and correct transfer of the blade from the robot to the mechanism in the processing machine. The system of mechanical and electronic installations which was developed along with the special joint, makes possible feedback between the robot and the production mechanism, as a result of which all are connected in one production system. The "Robotics, Ltd" company also was involved in the installation system.

*See related article, "Robots--Are Their Hands in Everything?" by Dan Sharon, MADA' Vol 1, 1984, p 21-27

According to the managing director of Iscar, Barukh Bahat, the introduction of the sophisticated robot to the process of production of the blades should bring a 30 percent increase in production yield, along with an increase in quality, will directly reduce 4 employees per year and will decrease the number of defective blades in the production process by 50 percent. The plant invested approximately \$100,000 in acquisition of the robot and in its adaptation to the plant's special needs.

The "Iscar Blades" plant is the only one in Israel and one of the few in the world specializing in production of revolving blades for Sison engines. It is considered a pioneer in the application of robotics and CAD CAM in the process of production of blades. About 90 percent of the blades produced in the plant are destined for export, and among the customers are the giants in the building of airplane engines in the world, including Pratt and Whitney, General Electric, and others. The plant employs about 500 employees; about 35 percent of them are engineers, technical engineers, or technicians. For the year 1984 production is likely to reach 600,000 blades. In the future, increased production of higher quality and quantity, is expected, along with the introduction of robots and automatic systems that are flexible to the production line.

9182

CSO: 4423/20

ISRAEL

HEAVY CUTBACK AT ISRAEL SHIPYARDS PLANNED

Tel Aviv BAMAHAHE in Hebrew 23 Jan 85 p 13

[Article by Gali Etzion: "Israel Shipyards: Cry for Help"]

[Text] Up until 2 years ago, Israel Shipyards were a profitable concern. The government loaned the shipyards \$15 million to widen the docks (to enable repair of large ships, such as those of Zim) and also promised to provide the shipyard with an order for building two large refrigerator ships for transport of agricultural goods and a large order for the defense system.

The promises never were realized. The government is now planning a 50 percent reduction in personnel at the shipyard, and its transformation into a repair facility alone.

In the shipyards they are bitter. ATA, which is a private factory, received \$9 million from the government to cover its deficits. yet on Israel Shipyards, complain the employees, the government is coming down with a striking blow. "We don't want money to cover deficits, there are none," says David Goldman, secretary of the employees board. "We want work; the government should keep its obligations."

The government has no budget, why don't you agree to some cuts, even in ATA, the employees compromised.

The significance of a 50 percent reduction in factory personnel means destroying the factory. Say the employee's committee members, "This is a metal industry, not textile." Some 350 people will not return the government's loss, the money will be lost and the loss to the country will be even greater.

Don't even try to talk to us about additional reductions. Over the last 3 years, a third of the employees of the plant were fired, and salary raises are a concept which has not existed in the factory for 2 years.

Today we are doing occasional drydocks projects, which are not what the shipyards were intended for. All we are asking for is construction work. Not money, not support, just work.

Transformation to a drydock shipyard for repairs, wouldn't that speed up the solution?

A repair shipyard can not exist. A shipyard with equipment like ours must combine repairs with building. There is not steady work in repairing. Even if half of the employees are fired, the employees will be without work for months on end, if there is no need to repair boats. People who are fired will not come back again to work in the shipyard. It is doubtful whether they will stay in the country and when it is necessary to build boats for the defense establishment, there will be no one to build missile boats and tank carriers.

But today there is no work in the shipyard. Is its continued operation justified?

"Definitely yes," say the 13 members of the employees committee. "The Cherbourg incident is the best reminder of the constant need for an Israeli shipyard. Israel Shipyards will never place an embargo on the State of Israel. Clearly it is only a matter of time, in addition to which the current fleet of the navy will age and there will be a need to build new vessels.

Anyway, they say in the shipyard, the expenses involved in reductions (unemployment and other compensation) are greater than those involved in maintaining the factory in its present form. "What people here don't get via work," a committee member states cynically, "they will get from the labor bureau. We don't want to be a burden on anyone."

What is your opinion of the suggestion of the minister of transportation to combine Israel Shipyards with the Navy Shipyard?

This committee is not the one which will decide on unifying the shipyards, they say here, "but there is no reason to talk about combining the shipyards when there is no construction work. It makes no difference if we are unemployed together, or in each shipyard separately--repairs will not provide full employment for two shipyards."

The employees committee spent several days in succession going around the Knesset, trying to draft support and to repeal the evil decree, but in the meantime without great success, at least in the "high windows that decide." However, the employees in the shipyard have not lost hope and are hoping that Prime Minister Shimon Peres will see fit to meet with them and that a solution for their troubles will be found.

9182
CSO: 4423/20

ISRAEL

ISRAELI BUSINESSES INVESTING IN CISKEI

Tel Aviv KOTERET RASHIT in Hebrew 13 Feb 85 pp 18-19

[Article by El'azar Levin: "Ciskei, Another Israeli Speculation; Better Than a Bank Safe; Ciskei, the Black state in South Africa, Offers Israeli Investors Tax Exemptions, Generous Grants, Financing of Expenses: Some Israelis Accept]

[Text] Eight Israeli businessmen flew this week to Ciskei, the black state in South Africa. They carried in their bags proposals for building plants to produce spare parts for cars, weave textiles, polish diamonds, and make crystal housewares. The eight are joining a growing army of Israelis who go to Ciskei in order to develop that state and ensure their own economic future.

What is Ciskei really--an unknown place near the end of the globe, a pocket 8,300 square km in size in the wouthwestern corner of South Africa. It has a population of 1.2 million inhabitants as well as 2 million citizens who live and work throughout South Africa. Ciskei is one of the four states established by South Africa as pockets inside its territory in order to give black tribes autonomy and improve its international image. The other three are Bophuthatswana, Venda and Transkei. In order to reach Ciskei, one must first fly to Johannesburg, then change planes for Port Elizabeth, then travel 60 km by car. An American company is building a modern airport near the new capital, Buju.

Ciskei's main source of income is agriculture. It has little industry, if any. It has high unemployment, but the politicians in Pretoria are interested in showing the world a state that is economically successful, and so the government allocates large sums of moeny, almost unlimited, in order to stimulate industrial growth in Ciskei. This is not the only problem of this little state. It also lacks agricultural knowhow and health services, and suffers from the problems of a new state based on tribal traditions. South Africa is the only country in the world which recognizes its four protectorate states; Israel is one of the few states which is willing to offer quasi-official help to the new state. The reason is mainly economic, but there are other reasons. There is a sense of solidarity between outcasts linking Israel and South Africa, not to mention security and military ties. The Israeli nod to Ciskei produces satisfaction in Pretoria.

Ciskei's president, Dr Lennox Sebe visited Israel six times before he was elected, when this state became independent in 1980. Last year he visited Israel three times. The Foreign Ministry was not quite sure how to treat him. When he last visited in November, it was a semi-official visit, without parades or national anthems. But there were "private" meetings with Israeli leaders. A year ago he first visited Israel as a head of state and the visit was almost secret. It can be told that he met with the heads of Mif'al Hapayis [Israeli lottery], including the chairman, Knesset Member Gid'on Gadot of Herut. He studies the operation of the lottery and the lotto, then stated that Ciskei had its own lotto and did not need to copy the Israeli system.

When it comes to industry, however, Ciskei is in great need of Israel's help. Israeli entrepreneurs are attracted to Ciskei like bees to nectar. Ciskei's government has passed laws which offer unprecedented incentives to investors (from the pocket of South African taxpayer) who are willing to come to the end of the world and build factories. Plants are provided beforehand without any prior investment. They are leased to the investor for 10 years. Rent is not a problem, since the government offers a generous subsidy. After 10 years the entrepreneur can decide whether or not to extend the lease, and can even buy the plant for a nominal price. He does have to buy the equipment, but the government offers a grant of up to 600,000 rands (about \$300,000), to pay for moving the plant to local industrial zones. The problems with this is that the entrepreneurs are tempted to buy old equipment since the moving money can pay a good part of it.

Investor's Paradise

The entrepreneur needs workers. The blacks are not skilled industrial workers. The Ciskei government finances 75 percent of the cost of training workers. When the factory begins to produce, the owner receives a grant equal to 95 percent of the salaries (yes!), tax exempt. When he takes his products to the nearest port for exporting, the government pays him back 60 percent of the last freight. And as if this is not enough, the investors are given subsidized loans for 20 years to buy three to five apartments for the senior workers.

As of April 1, Ciskei will become a veritable paradise, unlike anything else in the world, for foreign investors. They will be fully exempt from business tax in this state which does not have capital gains tax. There is a business income tax of 10 percent, similar to Israel's value-added tax, but it is paid by the consumer. The only tax which should bother the Israelis is a 15 percent income tax for individuals with income over \$4,000 a year, but this is not so terrible.

It is no wonder, then, that the eager Israeli entrepreneurs, after comparing the tax and benefit system to Ciskei to Israel's, realized that it is better to shift their resources and energy to the new state. It is true that transferring capital abroad these days is difficult, and cannot be done without the approval of the Bank of Israel, which is reluctant to give approval. But as can be seen in the above listing of benefits, it is not always necessary to transfer capital. Without exaggerating, perhaps, one might say that by simply

using the personal allotment, the businessman who takes his family and goes abroad can build Ciskei as well as his own future.

In order to receive all the incentives, the investor must be given the status of an approved business. He must submit financial reports for the past 3 years as well as potential clients abroad. The applications are carefully screen by the Industrial Development Bank of Ciskei, founded 9 years ago. The bank is the central financial and economic power of this country, and it works at an accelerated pace. In 1983-84 the bank approved \$130 million worth of investment plans, which would employ 25,000 persons. Approvals, however, are not automatic. Some investment plans have been rejected. The bank also takes an active part in building the three main industrial centers of this country, Dimbasa, Fadi and Fada.

Here is where the Israelis come into the picture. Agri-Carmel Company, owned by Agridov and by businessman David Elman, has signed (through a company it has established in South Africa) a contract with the Ciskei government for consulting on agricultural development. Eight Israeli experts are working on the spot. They have already planted an orchard and have signed a contract with the local government for growing vegetables. A group of 15 farmers from Ciskei spent 2 months in Israel last summer, lived on a kibbutz and a moshav and learned modern ways of cultivation and management.

One of the first entrepreneurs who discovered this African goldmine is Efrayim Poran, former military secretary of ex-Prime Minister Begin. Poran drafted Efrayim Porat, who for many years headed the overseas operations of Solel Boneh, and veteran industrialist Gershon Rosoff, who owns textile factories. The three established a textile factory in Ciskei, called Ciskei-Tex. Located in Dimbasa, it employs 180 workers. Rosoff brought over equipment from Israel, and was given a generous grant. If Rosoff is in the picture, there is nothing to worry about. There will be substantial profits.

Another company that has been given a go-ahead and is about to build a plant in Ciskei is the well known fashion designer Indian Head. The plant is under construction, and it plans to employ 500 workers in one shift. Next to it, in the same industrial zone in Dimbasa, the largest in Ciskei, Oren Toys is being completed, owned by a businessman from Bene Braq.

If They Also Had Manpower

This is only the beginning. The stream of Israeli investors is growing every month. Here is a list of companies, investors and projects, some already approved by the Industrial Development Bank, and some in the process of applying: a fiberglass factory owned by Ya'akov Weinberg and Yitzhaq Wolf of New Tziyona; a drug factory; a bathing suit factory owned by Riqma; a car assembly plant owned by Shirad of Israel, financed by Mendy Salid of Ariel, a shirt aimed at the U.S. market; a car filter plant; a disposable medical supply factory. All of these take advantage not only of the tax exemptions and grants, but also of the fact that salaries in this country are quite low.

Israeli activity reaches into other areas as well. According to a certain source, Israeli entrepreneurs have negotiated building an airport near Buju at a cost of \$45 million. They were underbid by a U.S. firm. David Schneider, the trade representative of Ciskei in Israel, rejects the rumor and says no such negotiations have taken place. Ciskei also employs some 25 physicians and lab technicians from Israel. Dr Weiss of Safed is the director of the central state hospital in the capital.

There are also difficulties. The state is remote and isolated, and despite the subsidies given to land transport, there are problems with cost and scheduling of sea freight. The demand of the South African market is being sought out, but this market is quite demanding when it comes to quality of products. The main problem is the lack of skilled labor. The workers are paid before the weekend, they are off on Sunday, and on Monday they come to work drunk if at all. The zeal of the Industrial Development Bank may cause problems. As more factories are built in the three industrial zones (not only by Israel), there will be a shortage of manpower.

The Israeli experts who come to live and work in Ciskei enjoy good working conditions. Their monthly salary is between \$1,000 to \$2,000. Income tax, as was mentioned, is only 15 percent. The government also helps with housing. Some live in South Africa and pay a weekly visit to the factory they supervise. The entrepreneurs and the managers also enjoy certain benefits, as can be expected.

All this activity is overseen from a modest apartment on 95 Nordau Street in Tel Aviv by Yosef Schneider, age 38, USSR born, who came to Israel 16 years ago. Schneider and his associate, Nat Rosenwasser, are the trade representatives of Ciskei in Israel. In the absence of diplomatic relations, they are in effect political representatives. Thus, for example, they took care of Dr Sebe's latest visit to Israel.

The office only does business. It has no national symbols such as a flag. Schneider and Rosenwasser willingly give out color brochures, written in English, undoubtedly published in South Africa. Schneider says he is employed by Ciskei and receives a monthly salary. He does not get a bonus for bringing new companies to the new state. He says a monthly salary is enough.

9565

CSO: 4423/17

ISRAEL

FUNDING FOR OIL EXPLORATION COMPANY QUESTIONED

Tel Aviv KOTERET RASHIT in Hebrew 27 Feb 85 pp 14-15

[Article by Kl'azar Levin: "Oil He Is Yet To Find, but Meanwhile the Money Flows"]

[Text] The big mouth of Avraham (Buma) Shavit is working again. The Sismica oil exploration company which he heads announced 2 years ago it was going to invest, along with others, \$50 million within 4 years in drilling and searching for oil in the Dead Sea and Jordan Valley area. Time passes, and the drills are yet to start. The company finds it difficult to raise the necessary funds. Shavit is now enlisting the help of Industry and Commerce Minister Ari'el Sharon in order to raise \$10 million from the Israel Chemical Company, which does not operate in this area, to fund his own oil search.

Let there be no mistake: Oil exploration is an important national and economic task. If oil in commercial quantities is found in Israel, it will bring salvation to the state. One should encourage any exploration, including that of the Sismica Company, which makes an effort and raises money to drill and perhaps discover oil. The only question is, how is the money raised, who are the investors, and do the entrepreneurs meet their preestablished criteria?

Sismica was established in early 1983, and after a short time it raised some \$4.7 million in the stock market by issuing stocks and options. The company is controlled by Polk of Lima, Peru. Shavit is a small stock holder, with only 4 percent of the stock, which did not prevent him from becoming a cochairman of the board of trustees. The senior partner, Polk, is a man with a colorful background. He immigrated to Israel from Romania in the early sixties, worked as a maintenance engineer in Fenicia, did not make a go of his job and left for Peru, where he thought he had a rich uncle. It turned out that the uncle was not rich, and Polk had to work as a cab driver, while his wife had to teach school. At school she met, through another teacher, a Swiss engineer who owned a civilian explosives factory. The Swiss heard that an Israeli maintenance engineer was in town, and gave him a job. Years later the Swiss retired to Switzerland sold the factory to Polk. The latter sold explosives to oil drilling companies. One of them, Petrolainca, failed to pay, and gave Polk stock instead. Now he has a small well in Oklahoma as well as a watch marketing business in Peru. His explosives business is one of the largest in South America.

Polk's ties with Israel were renewed 3 years ago. He came here to visit 3 years ago and bought himself and his two married sisters apartments in the Danya section of Haifa. He met with the general manager of the National Oil Company, Dr El-azar Baraq, and with Energy Minister Yitzhaq Berman, and offered Israel rights in his main drill in Peru, called Block 7. Baraq and Berman were suspicious and turned him down. Yet, while in Israel, Polk realized that investing in Israeli exploration, as well as in Peruvian, can be a goldmine. It was the time of the great rise in the stock market, and anyone who had an oil plan could raise millions of dollars by issuing stock. He met Buma Shavit, who at that time shut down his oven business, and looked for new adventures. Together they founded Sismica, and hired Yosi Lengotzki, former director of a local oil company, and Shemu'el Gorban, Mota Gur's brother, as directors.

After Sismica raised money from the public, it started exploring. Its main activity was obtaining the rights for oil exploration along a narrow strip by the Dead Sea, the Jordan, and the Jordan Valley. The total area is 1.7 million square km. It appears to be the largest area ever given to any Israeli company. In the past the area was under the control of the National Oil Company, but the company and the then Energy Minister Yitzhaq Moda'i, readily agreed to transfer the rights to the new company. The government did not have enough money to invest in oil explorations, and the national company saw its role as a middleman between the government and private companies. The NOC only asked for its past expenses, totally \$2 million, spent on surveys. Sismica was given several years to pay the amount, and was given the oil rights in August 1983. American advisers gave Sismica an investment plan of \$50 million over 4 years for oil drills in the area.

Investing without Investing.

A small problem arose: where would the money come from. This past year the government enunciated a clear policy against investing state funds in oil drilling. Israel has been drilling throughout the past 3 years, mostly with the help of public funds, and is yet to find oil (one of the few wells where oil was found is Heletz, which was actually found during the British Mandate). therefore the government now tells investors: if you want to look for oil, go ahead. But you will have to use your own money. If you find foreign investors, we will give you 44 cents for every dollar you import, which everyone agrees is sufficient.

It appears that Polk and Shavit were indeed interested in obtaining the funds from foreign investors. They contacted U.S. investment firm Oppenheimer, which promised them \$28 million last August as a limited partnership. This method takes advantage of the U.S. income tax law which permits businessmen to write off foreign investments of various kinds, including oil exploration. Oppenheimer sought to organize a group of investors and obtain the necessary sum. Taking into account the government grant, Sismica could have raised altogether \$40 million. An additional \$5 million was to be obtained from Hayseed Stevens Oil Co of Dallas, Texas. This would have brought an additional grant of \$2.2 million. If we add the profit from the stock, the company had altogether \$50 million.

But, as a friend of the company says, "It is easier to promise than to deliver." After the optimistic announcements of raising \$50 million, it turned out that the situation was changing drastically. The Oppenheimer company told Shavit 2 months ago that "due to changes in the U.S. money market" it decided to freeze--until further notice--its plan to form a limited partnership for the Israeli drill called Mount Sodom. The agreement with the Texas company did not reach its final stage either. Polk and Shavit have a license and rights, but they do not have money to fulfill their great dream.

Fortunately for the diligent entrepreneurs, they had the commitment of several Israeli companies to invest in the Mount Sodom drill. Two subsidiaries of the Paz Company committed \$5 million. Paz, of course, is under government control, accounting for 67 percent of its stock. The National Oil Company and its three subsidiaries (Neft, Lapidot and Magen) agreed to finance 20 percent of the investment not to exceed \$10 million, over 4 years, beginning in August 1984. These companies are also government controlled.

A strange situation came about: the government and the Energy Ministry kept saying (including Energy Minister Moshe Shahal) that the government would not invest any more money in oil exploration. Yet six companies owned fully or partially by the government are investing \$15 million in oil drilling by a private company, circumventing the government policy of withholding funds from oil companies. The only non-government company which had shown interest in the project, North America-Israel Oil Explorations, has withdrawn from the investment plan.

And what has happened to the \$4.7 million which Sismica raised in the stock market? Half of the money was spent on early exploration, including the hiring of American consultants and various surveys. The second half was spent on renting and furnishing posh offices in 500 square meters in Industry House, where, in addition to the Sismica offices, one can find Shavit's private offices. The directors are getting high salaries, thousands of dollars per month, while Shavit pockets consulting fees and management fees from the stock issue and the profits of the company. According to the 31 March 1984 balance sheet, the company, which only employs a small number of workers, spent a total of \$17,500 per month. Shavit received, in addition, \$3,900 per month for consulting and management. If his salary is still the same, then we discover an interesting fact: In March 1983 Shavit invested some \$200,000 in Sismica stock. Since then the company has given him back half of this amount through fees. Trips abroad and administrative expenses have also used up stock income.

Sismica is now committed to invest \$15 million at most. This is clearly not enough to finance investment plans of \$50 million. The National Oil Company has agreed to invest in Sismica only after it is guaranteed in writing that the drilling will be performed by its subsidiary, Lapidot, and Lapidot's subsidiary, Metzada. This will provide employment for hundreds of NOC workers and protect them from future layoffs. NOC's interest is obvious. The company is being cautious. It will invest 20 percent of the total expenditures up

to August 1988. Even if future explorations continue at the present slow pace, with Sismica investing only \$20 million, the NOC will give Sismica \$4 million. This would mean a substantial slowdown in the company's activities.

Sharon Imposes

When will they actually start looking for oil? The date is being postponed time and again. Sismica is desperate for money. Over a year ago Shavit tried to interest Dead Sea Enterprises in helping finance the drilling. When he checked the license, Shavit found out that several years ago that company invested \$400,000 in a drill called Amatzyah, not far from Sismica's site. Shavit and his staff went to Be'er Sheva and met with the general manager of the Dead Sea Enterprises, Arye Shahar. The company considered the offer and was interested in investing \$1 million a year for 5 years, which meant \$4 during the 4-year drilling plan. The condition: the money will be invested only in the drill near the company's site. The company's intention is to use the oil or gas that may be discovered in the area for its own plant.

Things began to change when Shahar, rightfully, decided that such an investment plan had to be approved by his board of directors. The board's chairman is Yoram Ziv, whose main job is general manager of the parent company, Israel Chemicals. Shahar met with Ziv and tried to persuade him it was a good idea. Ziv brought the matter to the attention of the Israel Chemicals board of directors, who decided to form a subcommittee to study the matter, headed by Prof Tzvi Zusman, former deputy governor of the Bank of Israel. The subcommittee was formed over a year ago. It listened to experts, discussed the matter, and studied professional literature it had gotten from Sismica on the chances of finding oil in the area. Finally, a few months ago, it decided against the proposal. One of the main reasons was the fact that Israel Chemicals does not engage in oil drilling, and has more urgent needs and uses for the money.

Shavit, however, is not the kind of a person who gives up. It was the eve of the election to the 11th Knesset. Shavit decided the matter was important enough to occupy the ministers even at such a time. He turned to the energy minister, Yitzhak Moda'i, and to the industry minister, Gidon Pat, and was able to persuade them. After the elections new people occupied the ministries. Shavit continued to lobby, and was given a cool reception by the new energy minister, Moshe Shahal, who reminded Shavit the government had decided not to invest money in oil explorations, whether paid for from the budget or from the funds of government controlled companies. Sharon gave Shavit a more cordial welcome, possibly because Refa'el Etan took Shavit to see Sharon. Etan used to advise the prime minister on terrorism and was close to the new energy minister. In the meantime Oppenheimer's negative answer arrived, and Shavit's pressure kept increasing. He doubled the sum he demanded--not \$5 million over 5 years, but \$10 million over 4 years. Sharon agreed.

Three weeks ago Sharon met with Israel Chemicals' manager, Ziv, and with the chairman of the board, Israel Sakharov, and asked them to review the decision of the board and agree to invest \$10 million in Sismica. The two managers were astounded. They called the sum "astronomical," and told Sharon that

spending such a sum, amounting to 7.5 billion shekels at current rate, from the development budget of the company, would harm urgent vital programs. Sharon refused to listen. Sakharov explained that he would not bring the matter to the attention of the board. Sharon, who has a legal background, studied the law of government companies and found a loophole: Section 4 of the law allow the government to force a company to do a certain action by special government decision. This is exactly what Sharon has in mind to do: pass a government resolution instructing Israel Chemicals to give the billions to Shavit and company.

9565

CS0: 4423/17

LEBANON

DECLINE IN TRADE, RISE IN DEBT ANALYZED

Beirut AL-IQTISAD WA AL-A'MAL in Arabic Jan 85 p 53

[Article by Jamal Mansur: "Shock or Coup"]

[Text] The spell has turned on the magician, the object of the game has become obvious and we have emerged from the dark tunnel to enter the suicide tunnel. Are there those who support life so that the "shock" and the salvation may come about?

For 10 years, our country has lived in a political laboratory that has led to the collapse of the sectarian theory and the fall of all the sectarians because the criterion of success is the degree of happiness and prosperity. The criterion is not the number of armed strongholds and of racial guards.

Space here does not permit us to talk of the sectarians' dilemma and the nature of the snare in which each of them has been entrapped. Rather, this space is for reviewing what the sectarians' policy has produced in the economic and social sphere and what the sectarian "cultures" have yielded in the sphere of Lebanon's human prosperity.

From the macroeconomic aspect, we find the following:

| | <u>End of 1974</u> | <u>End of 1983</u> | <u>End of 1984</u> |
|---|--------------------|--------------------|--------------------|
| Dollar price in Lebanese pounds | 2.3 | 5.5 | 8.9 |
| Public debts in billion Lebanese pounds | | 22.2 | 30.4 |
| Difference in trade balance | -1.6 | -12.5 | -12.4 |
| Difference in balance of payment | +1.5 | -933.0 | -1,475 |

Despite our awareness of the fluctuations experienced by these indicators in the past 10 years as a result of political fluctuations on the one hand and the fluctuations of currency prices at the local and international levels on the other, it is certain that the above figures demonstrate the depth of the abyss which the macroeconomic situation is approaching, especially with the end of 1984 and the onset of the new year.

We wonder who will read these figures and realize what economic cost has been paid for the political objectives he has sought to achieve and for the sectarian "cultures" he has sought to establish in Lebanon in the past 10 years.

Insofar as general social conditions are concerned, unemployment and the emigration of skilled labor to the outside world have risen whereas the standard of education at all its academic and vocational levels has dropped.

The cost of living is rising and inflation is in a race with starvation. All this is happening within the framework of the country's shattered geography and of a land whose resources have been plundered and its assets damaged. The destruction and demolition of this land's edifices and structures continue.

Is there anybody who will shut his eyes for a few moments to see the dimensions of the grief and sadness in the people's movement and to realize that patience has its limits?

They tell you about the banks that are now providing the nourishment for the state so that it may continue to exist (treasury notes)--these banks which harbor in their belly the burdens of the stagnation in all the production sectors, especially the industry, tourism and service sectors.

The right course demands that we note that the banking sector is currently suffering from problems emanating from the consequences of the events on the ground and in the soul. These problems may be summed up in the following:

- A. The escape of some deposits in foreign currencies to the outside world.
- B. The freeze in some indebted current accounts.
- C. The impossibility of repayment of some loans because the borrowers have completely gone out of business and because the value of their collateral has declined and, in all circumstances, because of the difficulty of liquidating this collateral.

This talk about the banks does not include the special difficulties encountered by this or that bank at this or that time because of speculation in currency or because of mismanagement and inexperience.

The fact that the banking sector has remained sound so far, thanks to the sound structure of its system and its freedom on the one hand and the soundness of the people who control it and the people's confidence in this sector on the other hand, does not mean that it will remain sound and healthy, serving the people, the state and the economy. The dangers have begun to loom in the horizon and we have begun to feel that those who plotted against the homeland and its citizens have planted seeds which, if destined to bloom, will destroy everything and will demolish the structure, God forbid.

Let no sect believe that it can build its own entity and enjoy prosperity in it. On what land, in what market and with what continuity will it be able to do so?

The manifestations of fabricated prosperity will continue to be mere manifestations until they go bankrupt, and how quick and dangerous is this bankruptcy when the structure is built on foundations devoid of the means of life and survival.

What is required to score a victory over death?

The truth is that we have lost the confidence that the current direction of affairs will lead to salvation because the technical means adopted for a framework of natural conditions are not successful in the insurmountable Lebanese situation. There has to be a change that leads to a change in the elements of expectation.

There has to be a "shock" that restores life to everything. Who knows, it may be a coup.

8494

CSO: 4404/230

LEBANON

BANK PRESIDENT ASSESSES NATION'S FINANCES

Beirut AL-IQTISAD WA AL-A'MAL in Arabic Jan 85 p 48

[Interview with Dr Nu'man al-Azhari, chairman of the Banque du Liban et d'Outre-Mer: "Banks Increased Their Liquidity and Made Good Profits in 1984"]

[Text] Even though 1984 was a difficult year for the banks, they were able to achieve a healthy increase in deposits and loans. But the problem of investment opportunities continues to be the most serious obstacle. In this interview, Dr Nu'man al-Azhari, the chairman of the Board of Directors of the Banque du Liban et d'Outre-Mer Lebanon and Expatriates, sheds some light on the banking sector's performance in 1984.

[Question] How do you assess the banking situation generally in 1984?

[Answer] Relying on the latest statistics, we estimate that both loans and deposits rose by 20 percent. However, there are banks which embraced a more conservative lending policy. At the Banque du Liban et d'Outre-Mer deposits rose by 40 percent whereas loans maintained their 1983 level, or rather, loans declined at the fixed prices. The motive behind the conservative policies was the weak investment sphere. The percentage of treasury notes in the banks' statements of balance has also increased. This is a positive development because it means an increase in liquidity and selectivity in investment. This year, the banks are supposed to devote the greater part, if not all, of their profits to bolster their supplies and reserves.

[Question] What are the most serious bottlenecks facing the banking sector?

[Answer] The most significant problem is the limited opportunity for sound investment due to the nearly general stagnation experienced by the Lebanese economy since 1982. This stagnation has afflicted all the economic sectors by varying degrees. But the unavailability of sound lending opportunities has not created a stifling problem for the banks due to the availability of the opportunity to invest the surpluses in treasury notes which yield a reasonable margin of profit. Thus, by following a conservative lending policy, the banks have been able to raise their liquidity to a very high level and to make good profits with which to bolster their reserves and supplies. This is a positive development under these difficult circumstances.

[Question] Now that some time has passed since the Central Bank of Lebanon adopted its measures, it seems that the pound's exchange rate is continuing to decline. Are there solutions to bolster the pound under the existing political and security conditions?

[Answer] The drop in the foreign assets of the Central Bank of Lebanon has greatly weakened the bank's ability to intervene in order to stabilize the currency market. Moreover, the Central Bank of Lebanon has exhausted most of the means to influence this market. The main problem lies in the deficit in the balance of payments and this deficit cannot be tackled in a fundamental manner until confidence in the future of Lebanon and of its stability is regained. Under the existing political and security conditions, the solutions will continue to be partial. One of these solutions is to resort to external borrowing. However, the opportunities for borrowing are narrow and difficult. In case such external borrowing materializes, there surfaces the problem of future repayment, considering the declining export capacity. Lebanon should try to obtain financial or in-kind aid. It should especially seek to collect the allocations made by the Tunis summit resolutions, amounting to \$1.6 billion.

[Question] There are differing viewpoints on the issue of interest rates. Some demand that these rates be raised to achieve certain objectives and others demand that they be lowered. What is your opinion?

[Answer] It is difficult to reduce the interest rate on the Lebanese pound tangibly as long as the foreign exchange price for this currency is not stable because it is feared that any reduction in interest rates will have a negative impact on the Lebanese pound under these circumstances.

[Question] What is the means to confront the deficit in both the budget and the balance of payments?

[Answer] The main malady lies in the budget deficit because it nurtures the deficit in the balance of payments by providing cash surpluses that are convertible to foreign currencies at the rate of nearly 1 billion Lebanese pounds a month. The practical solutions to deal with this deficit have become well known and publicized. Efforts at austerity on the part of both the state and the citizens have become vital. A careful ladder of spending priorities must be established and the state must regain its control over its direct and indirect revenue sources and sources of various fees (customs, telephone, telex, electricity and so forth).

[Question] It is noticed that the expansion of banking in the direction of the outside world almost came to a halt in 1984. Has this expansion reached its limit and is a presence abroad a second defense line for the banks?

[Answer] External expansion relies on the technical and financial capability of each bank, keeping in mind that banking competition has become intense in all of the world's major banking centers. The external presence has given the Lebanese banking sector the ability to contain Lebanese savings and economic activities centered abroad and has maintained relations between the Lebanese banking sector and the Arab and African countries.

LEBANON

ECONOMIST CHARTS NATIONAL 'SOCIAL' CRISIS

Beirut AL-IQTISAD WA AL-A'MAL in Arabic Jan 85 pp 63-65

[Article by Dr 'Adnan Hamdan: "Lebanon's Social Crisis: Where It Is Heading; Trend of Rising Prices Still at Its Beginning"]

[Text] The question of Lebanon's social crisis is currently rising on all lips amidst the unprecedented deterioration in the various indicators of economic activity and amidst thick clouds engulfing the course of the political settlement among the various parties to the conflict. Under the shadow of the country's deteriorating social crisis, some have come to believe that this crisis is not just one of the endless war that has been going on for 10 years but has come to constitute, as a result of the depth and dimensions it has assumed, an important factor in the continuation of this war, since none of the influential political parties, including the state or whatever remains of it, has a serious idea of how to tackle this crisis--not to mention the fact that none of these parties has the realistic capability to implement this idea (if there is an idea).

The researcher wishing to gauge quantitatively [takmim] some manifestations and features of this crisis encounters two kinds of difficulties: first, the lack of a reliable statistical base in the country, whether it is statistics pertaining to the economic totals of national accounting or to comprehensive field surveys pertaining to labor, wages, income, spending, housing and emigration and, second, the difficulty of making estimates of the manifestations of this crisis at a time when the final picture of these manifestations is not yet clear because they are subject to further deterioration or change from month to month and, occasionally, from week to week. Yet despite these difficulties, efforts must be made to approximate the dimensions of this crisis and explore its horizons, especially since it affects all activities and all citizens, though by varying degrees, and affects the homeland itself. This approximation will not deal with all aspects of the crisis but will confine itself to its most significant and expressive features, i.e., the rise in the country's cost of living and what consequences this rise may have on social conditions in general.

Since 1975, Lebanon has experienced "two price shocks," the first extending until 1982 which was the year of the Israeli invasion of Lebanon and the second beginning practically in the wake of the invasion but declaring itself loudly only since the final quarter of 1984. As a result of these two shocks, the

Lebanese pound's price index versus the dollar (at the end of the period) dropped from 100 in 1975 to 27.4 percent in 1984 whereas the internal price of the pound dropped, at the pound's value in 1975, from 100 piasters to 19.1 piasters in the same period, as demonstrated in the chart below:

Comparison in Development of Pound's Price Versus Dollar on Basis of Pound's Price in 1975

| Year | Dollar price in Lebanese pounds [presumably meaning piasters] | Pound's price in U.S. cents | Pound/dollar price indicator (basis of 100 in 1975) | Consumer price index in Beirut (basis of 100 in 1975) | Pound's internal price on basis of pound's value in 1975 (Lebanese piasters) |
|------|---|-----------------------------|---|---|--|
| 1975 | 243.00 | 41.15 | 100 | 100 | 100 |
| 1976 | 293.00 | 34.13 | 82.9 | -- | -- |
| 1977 | 300.00 | 33.33 | 81.0 | -- | -- |
| 1978 | 300.50 | 33.30 | 80.9 | 191.5 | 52.2 |
| 1979 | 325.75 | 30.70 | 74.6 | 247.3 | 40.4 |
| 1980 | 364.75 | 27.40 | 66.6 | 285.5 | 35.0 |
| 1981 | 461.00 | 21.70 | 52.7 | 355.6 | 28.1 |
| 1982 | 381.00 | 26.25 | 63.8 | 397.4 | 25.2 |
| 1983 | 549.00 | 18.20 | 44.2 | 436.3 | 22.9 |
| 1984 | 888.00* | 11.26 | 27.4 | 523.5** | 19.1** |

Dollar calculated at price at end of period (end of December).

Price index of December of each year adopted.

*Dollar price on 24 December 1984.

**Modifiable initial estimates.

Significance of First "Price Shock"

The rising cost of living in Lebanon is not a new phenomenon but one that dates back to a relatively distant past, even to the time before eruption of the 2-year war. The available facts demonstrate that the consumer price index (in Beirut), which had been rising at an average of 2 percent in the 1960's and an average of 7 percent in the first half of the 1970's, began to rise in the mid-1970's at an average rate of 20 percent a year despite some fluctuations from year to year. This sharp rise in the inflation rates throughout this period has given rise to a large-scale debate among Lebanese economists who take different positions in interpreting the causes of this phenomenon and in determining the weight of each of the factors influencing it and who also take different positions on the most successful policies capable of containing this phenomenon, even though the majority of these economists have been inclined since the second half of the 1970's to hold that fundamental external factors are responsible for the rise of prices in Lebanon at a time when inflation rates in the Western industrial countries from which Lebanon imports most of its needs tended to rise. But this tendency has diminished by a large degree

since the beginning of the 1980's. What can be concluded at this time from the outcome of the various interpretations concerning the inflation phenomenon in Lebanon is embodied in the following two main conclusions:

The first conclusion indicates that internal factors (social and economic) have played the more important role in generating this phenomenon. This conclusion relies on statistical studies dealing with the relationship between the development in local prices on the one hand and the development in the local bank loans and the wholesale prices in the Western countries (from which Lebanon imports its needs) on the other hand.¹ This conclusion also relies on studies using mathematical models that seek to gauge quantitatively the relative weight of each of the internal causes and external causes for the phenomenon of price rises in Lebanon.²

The second conclusion stresses that Lebanon's inflation is tied to a number of internal factors, including the misdistribution of wealth and national income. Various forms of this conclusion are reflected in several theoretical and practical studies published recently.³ In addition to this factor, the other fundamental internal factors play, of course, their various roles in creating and entrenching this phenomenon (cost inflation, inflation in demand, currency inflation, the gap between the real revenues and the cash revenues, imported inflation and so forth).

Dimensions of Second "Price Shock"

But despite the soundness of these two conclusions and of the continued impact of the various inflation factors already referred to, the sharp and constant price hikes currently being witnessed by Lebanon, particularly since the last quarter of 1984, constitute a new qualitative phenomenon unprecedented in the country, even though 1976 was a turning point in the course of inflation in Lebanon, since that year witnessed the movement from a phase with relatively low inflation rates to a phase of high inflation rates. The final quarter of 1984 constituted, undoubtedly, the most serious turning point in the severity and danger of this course. The most distinguishing feature characterizing the current inflation phase is its direct and firm connection--regardless of the other inflationary factors--with the sharp drop in the external exchange rate of the Lebanese pound. There is no sign that this drop is likely to be contained in the short run (see chart). Even though the inflationary effect of the pound's declining value in the current phase does not abolish the role of the other factors but rather reinforces them, it is evident that the issue, in the context of the fundamental new turning point, has stopped being the issue of this or that internal or external inflationary factor and has turned into the issue of the consolidated impact of all these factors collectively at a time when a payment of bills for the socioeconomic crisis is due and when these bills, which have been accumulating since the early beginnings of the war, must be paid.

Some Characteristics of Social Crisis

1. The recent increases in consumer prices will raise the cost of living burden to a level which large groups of the Lebanese people will not be able to afford. It is true that the Lebanese were able, by varying degrees and in different ways, to absorb the first price shock in the second half of the 1970's. But this was achieved with the enormous and complex capacity for adaptation displayed by the Lebanese economy at the time and by virtue of past savings which the Lebanese had possessed. But since 1982, the Lebanese economy's "steadfastness experience" has collapsed under the blows of the Israeli invasion, which has destroyed the "internal" Lebanese economy, and under the blows of the stifling Arab Gulf crisis which has foiled the prosperity of the "external" Lebanese economy. Moreover, the greater part of the savings of the country's middle and poor classes has evaporated as a result of the first price shock now comes at a time when these groups are powerless and exposed to all kinds of social dangers. At a time when the state's capabilities and resources at the social level have declined, the citizen finds himself forced to spend more on education, which has largely turned into private education, on medical services and drugs, which have become more subject to the motive of greater personal profit, on housing and housing services, which follow in part the rise in prices, and on transportation and electricity services, which are no longer subsidized by the state. It must be noted here that the quality of all these services has been and continues to be deteriorating despite the rise in their actual costs. However, the issue does not stop at the quality and quantity of these services. These constant price hikes are likely to lead to poverty, and perhaps to starvation. In any case, the Lebanese who started eating less since the first price shock have to prepare for further belt-tightening at present and in the future.

2. The price increases registered in the final quarter of 1984 were record increases in comparison with any previous quarter in the country's modern history. If some initial estimates find it likely that the 1984 price increase index is no less than 20 percent (see chart), these estimates should not conceal the fact that this is an average increase that does not reflect accurately the serious inflationary tendency developing in the prices of the final quarter of the year, keeping in mind that the first 3 quarters of the year, particularly the 3d quarter, were characterized by relatively moderate inflation rates⁴ because the impact of the dollar price on local consumer prices had not surfaced clearly yet due to the economic recession conditions and to the merchants' preference for the policy of expanding the marketing conditions and to the merchants' preference for the policy of expanding the marketing of their stores over the policy of high profit margins and fewer sales. What does this mean? It means that the inflationary price trend is still in its early stages and that the fundamental increases developing in some spheres (fuels, essential foodstuffs, drugs and so forth) will pave the way for future price hikes in all the other spheres. If the dollar price continues to rise, the new hikes will be doubled. Briefly, it can be said that Lebanon has begun to move with maximum speed toward inflation a la Latin America or a la Israel, with the difference that these countries still maintain a large part of their production capacity whereas the mainstays of production in Lebanon have, to a large degree,

collapsed. This raises, of course, an axiomatic question: how will people, especially people with a limited income, manage their affairs under such circumstances?

3. The groups hurt most by this new and intensive wave of inflation are the hired workers and the employees who live on fixed and limited incomes or wages, not just because the manner in which these salaries and incomes have been adjusted so far does not compensate fully for the rise in the cost of living but especially because of the fear that these wages and incomes will not be adjusted in the future at the expected rates of inflation in the cost of living under the pretext that the public and private sectors cannot withstand the burdens of this adjustment. These fears are a source of concern for tens of thousands of Lebanese workers with wages or limited incomes, not to mention the semi-employed, day laborers, piece workers and retirees. These fears especially affect hired workers at the lower end of the wage scale who constitute, according to the estimates of the National Social Welfare Fund and of the Beirut Chamber of Commerce and Industry, nearly half the total number of hired workers in the private sector. Initial calculations of the actual value of the lower wage limit indicate (assuming that the price index rises by nearly 20 percent in 1984) that this minimum limit did not exceed in 1984 the equivalent of 240 pounds a month at the pound's value in 1975 (instead of the 1,260 Lebanese pounds at the current prices). By comparing this level with the bottom wage level in 1975, (amounting to 310 Lebanese pounds), it becomes evident that a drop of 22 percent has developed in the bottom wage level at the fixed pound price in this period. It can be said that a similar drop has occurred in the purchasing power of the other groups of hired workers, keeping in mind that the majority of these workers in the public and private sectors earn a declared average monthly income of less than 3,000 Lebanese pounds. It is well known that the families of hired workers have strained themselves in different ways throughout the period since 1975 to absorb the consequences of the first price shock, either by liquidating their savings or assets, by weeking extra work for the family head or for one of the family members, including the wife, or by reducing the consumption of all kinds of goods where flexibility can be exercised (insofar as income is concerned).⁵ This means that such families have likely reduced their actual spending to its minimum and that there can be no further reduction, unless these families can survive at a less than subsistence level.

4. The rise in prices--a rise free of all controls and restraints--and the accompanying increase in the cost of living not only affects the hired workers only but also affects society's various sectors by varying degrees and in different ways. The middle classes, which usually find it more difficult than the poor classes to give up their standard of living, will find themselves under the canopy of this pattern of price hikes and are forced to make big concessions insofar as their living and consumption patterns are concerned. Included in these middle classes are the free professions, the medium-size producers and real estate owners. The industrialists are also, in a sense, among those harmed by the rise in prices and in the cost of living, not only because a significant part of this increase is reflected directly in their production costs (costs of wages, of raw materials and of capital) but also because they, more than the other economic activities, shoulder the burdens of the extra

increases generated by the price hikes to the end-of-service severance pay. Moreover, the rise in prices affects negatively the manufactured exports' competitive ability in the foreign markets, especially if the differences between Lebanon's inflation rates and the rival countries' inflation rates are very big differences, as is the situation at present. Inflation's biggest and most serious effects are those that affect the banking sector's clients. The majority of the depositors are people with medium-size and small deposits who have put their life savings in bank savings accounts and who have lost the major part of the actual value of their deposits and savings. On the other hand, most of the bank loans (more than 50 percent) have gone to few borrowers (not exceeding 2 percent) who will have to repay these loans, if they repay them, in Lebanese pounds, which are growing weaker and weaker than those they had borrowed in the past. The bigger the difference between the inflation rates and interest rates grows, the greater will be the indirect profits reaped by these borrowers, if they continue to be borrowers and if their loans do not turn into perishable debts!

In light of what has been mentioned above, it is evident that the factors of economic collapse have begun to unite, accompanied by the unprecedented depth and comprehensiveness of the tension in the country's social crisis. In the face of these deteriorating socioeconomic conditions, a large-scale "account-clearing process" is taking place between the various sectors of the Lebanese society in an endeavor on each sector's part to minimize the losses and damages as much as possible.

It is not unlikely that this process will ultimately lead to greater social disparity and further polarization of the national wealth and income. But at the same time, it is feared that in case the political settlement between the various political parties continues to falter, this crisis will entrench the manifestations of division and fragmentation in the country.

FOOTNOTES

1. "Lebanon's Consumer Price Index," Lebanese University, School of Sciences--study conducted under the supervision of Dr Mahmud Hakim in 1977-78.
2. "Is Lebanon's Inflation Imported?" by Robert Kasparian, quarterly pamphlet, Bank of Lebanon, Vol 13.
3. Ibid., plus "On Truth of Lebanon's Inflation and Possibility of Its Containment," by Nadim Khalaf and Nadim al-Manla, quarterly pamphlet, Bank of Lebanon, Vol 20.
4. "Quarterly Price Index," published by the Research and Consultation Institute.
5. Outcome of field study on worker family's consumption which included 250 families in Beirut and its suburbs in 1979. Research and Consultation Institute.

LEBANON

UNIVERSITY OFFICIALS DISCUSS BRANCH EXTENSIONS IN AL-BIQA'

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 401, 7-13 Jan 85 pp 34-38

[Article by Joseph I. Rahmah: "Dialogue With Officials and Students of the Branches of the Lebanese and Jesuit Universities in al-Biqa' Valley"]

[Excerpt] Before 1975, the capital, Beirut, was everything. It was the marketplace, factory and university.

After 1975, many things changed, and many customs and traditions have disintegrated, regardless of how many capitals were established in the various areas. Students from al-Biqa' resided in Beirut in quest of an education. They hired rooms in houses or in convents, or they went twice a week to the capital to continue their college education.

Now the picture has changed. Universities have moved to the districts; the universities, together with their officials and instructors, have come to al-Biqa'.

There are branches for the Lebanese University and others for the Jesuit University.

What have these branches done: What have they changed? Some people make the accusation that they are branches teaching theory and are thus unneeded. Others say that they carry the seeds of partition. There is also a large group who have accepted these universities and have begun dealing with them as they are and hope that they will develop.

AL-NAHAR AL-'ARABI WA AL-DUWALI took these questions to the university branches and held a dialogue with their officials and students and with some people who are interested in these branches. The following inquiry ensued:

With Dr Haykal al-Ra'i

With the director of the fourth branch of the Social Sciences Institute in al-Biqa', we held the following dialogue:

[Question] The branches of the Lebanese University in al-Biqa' give rise to many queries. How do you appraise this experiment?

[Answer] The branches of the Lebanese University in al-Biqa' were established in 1977 as a result of exceptional security circumstances which had prevented the students who lived in the districts from enrolling with the capital's universities, and to fulfill pressing educational needs. The Lebanese University was not the only one to open branches because branches of the Jesuit University and of the American University were established in the areas too. Many people considered the birth of the Lebanese University's branches in al-Biqa' as an unnatural and illegitimate step and as a partitioning step as well. However, during the few years of their life, the branches have consolidated their presence and entrenched their experiment, and they have set forth toward the fulfillment of their objectives and their mission as institutions that care for the mind in its sublimeness and creativeness, while benefiting from civic usages and traditions and from the ethical values which constitute the quintessence of academic work.

Our view of the university, any university, is based on the premise that it is an institution which is established to fulfill the needs of a specific society. The university carries the features of this society and its characteristic traits, and it seeks, through the process of conveying, producing and employing science, to cause a development to occur in this society. Therefore, in the past few years, our quest in al-Biqa' has centered on nourishing the academic structure with personnel who are qualified for the various specializations in such a way that the number of instructors has reached 150, including well over 100 with doctoral degrees. It is imperative to note that all the instructors of the Social Sciences Institute and of the Natural Sciences College have doctorates and are experienced in teaching and in scientific research.

In addition to the process of conveying knowledge, which is the core academic task, al-Biqa's branches have begun witnessing a qualitative evolution in the orientation of scientific trends and in the employment of science. The books and studies published by the instructors in the various branches are the most eloquent proof of this evolution. Furthermore, the theses which are presented by the students of the Social Sciences Institute within the context of the Certificate of Merit, whose number has reached 50 theses, reflect the positive role played by the university in the process of change and development.

At this point, it is imperative to note that the branches of the Lebanese University in al-Biqa' work assiduously to surmount the general crisis from which Lebanese diplomas suffer as a result of the "educational indiscipline" which has occurred in some districts. The examinations which were held last year in all branches were characterized by seriousness, firmness and fairness, thanks to the vigilance of my colleagues, the instructors, and the sacrifices made by the employees and administrative staff. I am in a position to say that the students graduating from al-Biqa' branches and from the Social Sciences Institute can look at the diplomas which they carry with pride because of the academic atmosphere which has prevailed at the examinations, despite the difficult and painful conditions through which the country is passing.

However, the branches of the Lebanese University in al-Biqa' need more interest and care so that they will be able to play the role which they are required to perform. Their basic need is obviously to obtain fully equipped, standardized university buildings capable of accommodating this large number of students, instructors and administrative personnel. In addition, the need becomes obvious for vesting wider powers in the branches on the administrative and financial levels to save time and effort and to facilitate work. The reason is that the present powerful and centralized administration hinders many activities. Furthermore, the branches must have their academic, financial and administrative independence protected by the officials and the parties at all levels. Nor should we forget the need to neutralize those branches that are involved in the various forms of political strife in view of the presence of students, instructors and employees who belong to various factions and sects.

[Question] Now that the school year has commenced, is it possible to project a picture of the proportion of student registration in al-Biqa' branches and in the Social Sciences Institute?

[Answer] Despite the very low rate of success in the second part of the bachelor of arts degree examination in al-Biqa' District, and despite the continuing Israeli occupation of both areas of western al-Biqa' and Rashayya--which prevents a large number of the residents of these two areas from enrolling in the university branches--the proportion of registration of students has not been affected in nearly all the branches, because this proportion is similar to that of last year. However, with regard to the Social Sciences Institute, this year we have noticed the presence of students who have registered for the first time and the absence of those students who register for amusement or because they think that obtaining a diploma is something easy. In addition, we have noticed an increase in the number of factions among the new students and the existence of a rather important number of military personnel--both officers and ranks.

With regard to registration in the branches in general, we have clearly noticed that this process takes place in a random manner because of the loss of orientation in the secondary phase and because of a very superficial knowledge of the university and its role. The best example of this problem is a girl student who registered with a college and came back the next day to ask for her file. When asked the reason, she said that she and a group of her girl companions had decided to enroll in another college. Furthermore, a number of students shuttle among various colleges for a few years before they decide on the specialization suitable for their capabilities and compatible with their aspirations. Therefore, in keeping with the efforts that we undertake to help new students, we have prepared in the Social Sciences Institute a detailed guide which gives the student a clear idea of the institute and its role and of its regulations and curricula. We also hope that a center for academic orientation will be established to assist students in choosing specializations compatible with their capabilities. We urge the administrations of the secondary schools to organize lectures and seminars about the universities and the specializations they offer so that we will prevent some of our youth from falling victim to uncertainty.

[Question] Is the equipment available in al-Biqa' branches sufficient to fulfill the students' requirements?

[Answer] If we set aside the issue of standard university buildings, which must contain all the equipment which must be available in the universities, it is possible to say that the needs of each branch are connected with the role which it is required to perform. For instance, in the Natural Sciences College, we find available laboratories that contain everything needed for scientific research. In the other colleges, there are rich libraries and large lecture halls. It remains for us--in our capacity as branch administrators--to say that keeping abreast with scientific developments imposes on us serious and continuing tasks in order to secure all the things that are needed. In this respect, officials in charge of universities show a complete readiness to meet our requests. It remains for us to point to the library of the Social Sciences Institute, which includes a great number of scientific reference works, in addition to sets of specialized periodicals published in English and French. We seek to develop and enrich this library with all the things which our students need.

[Question] What are the prospects of employment in connection with the diplomas you award, be it in the Social Sciences Institute or in al-Biqa' branches?

[Answer] Before answering this question, we must say that the Lebanese employment market now suffers from a crisis with regard to almost all specializations. Even those working in some professions, which until very recently were considered a source of high income, are now unable to secure their livelihood. Although our task--as a university--is not to secure work for graduates, this does not nullify the existence of a crisis in the marketing of academic education. This crisis is a link in the chain of the crises from which Lebanese society suffers. I do not believe that we will see a solution to this crisis in the near future. Therefore, I can say that the diplomas awarded by al-Biqa' branches do not permit those who have them to get work immediately, but they can help these graduates secure promotions at work and in society.

With regard to the Social Sciences Institute, its nature and role have been specified since it was established in 1959 as an applied sciences institute whose purpose is to conduct scientific studies of economic, social and political conditions in Lebanon. It is possible to depend on these studies in formulating the necessary development plans. From this premise, the legislators were not just content with setting up the studies center at the institute, but they established alongside it a research center with an independent administration. This center, which has been functioning in Beirut since the end of the sixties, has produced a large number of firm scientific studies. A research center is now being established in the fourth branch of the Social Sciences Institute, and we have promises in this regard. The center can absorb a number of graduates to carry out various field studies. In addition, we note that a number of students at the institute come to it in search of a very rich general education, which is not available in other specializations.

[Question] Where can we place the standard of the Lebanese University's branches in al-Biqa', whether in relation to the university's branches in the other areas or in relation to the other universities?

[Answer] There is a prevailing belief among the people that the services extended by official establishments are bad, while those extended by private establishments are always good. Furthermore, all foreign commodities are good, while all native goods are bad. This belief, although it has its historical and objective justifications, cannot be generalized at all. The illusion about the good quality of Western products has prevailed in our minds; we have become its prisoners and have lost confidence in ourselves and in our capabilities. This illusion begins with clothes and food and extends to theories, diplomas and the sciences. Those who have lived for some time in Europe inevitably discover the limitation of this view. In the West, as in our country, there are good products and there are bad products too. We have absolutely no right to make generalizations.

Therefore, I can say that the standard of education in the Lebanese University, with the exception of some rare cases, is similar to, or surpasses, the standard of education in many foreign universities with good reputations. Graduates of the Lebanese University have proved their superiority in various domains, as their actions bespeak. In connection with the standard of al-Biqā' branches, there is no need to talk about it. The vigilance of my colleagues, of the branch directors and also of the instructors and administrative personnel has permitted laying down very strict academic regulations which do not allow students to graduate unless they deserve the diploma they will carry. This does not mean that excesses do not exist. However, excesses have not been and will not be the bases of our academic practice. It is enough for us to note that some universities, whether inside Lebanon or abroad, are surprised by the standard of the research done by the students of the Social Sciences Institute.

[Question] Will we soon see branches for the applied sciences colleges, such as medicine and engineering, opening in al-Biqā' area?

[Answer] It is not enough for a decision to be made establishing a certain college and for a building to be leased and equipped for this college to begin its activity. Material conditions are considered necessary, but they are insufficient because the human factor is the basis. It is impossible to discuss opening any branch for any applied science college before securing efficient personnel capable of shouldering the responsibilities of this branch. Regrettably, since we cannot expand the present colleges because of the lack of educational cadres, how can we, therefore, talk about opening branches for the applied sciences colleges? Meanwhile, one should bear in mind that the officials in charge of universities show a readiness to discuss the expansion of the branches, provided that instructors are available. In this respect, it is imperative to point out that Dr George Tu'mah, the university president, announced at the ceremony held to mark the university's anniversary on 3 January instant the beginning of preparations for the establishment of a general health services college in al-Biqā'. We hope that the necessary and proper circumstances will be secured so that this college will surge forward and become something which can extend a great many services to the area. Let us not forget that a decree was issued on 21 October 1974 establishing a college of agriculture at the Lebanese University. The organizational decrees for this college specified the place for the preparation of the second course for this diploma at the agricultural scientific research station at Tall al-'Amarah-al-Biqā'. Up to this time, this college had not begun its activities.

[Question] How do you help university students address the problems which confront them in the course of study and after graduation?

[Answer] Our help to students is not limited to addressing problems during the course of study and after graduation; the extension of this help begins earlier. This year, we received a large number of secondary students and we held a dialogue with them on their academic options and guided them to the specializations they desired, as they did not know that these specializations existed. In addition, we alerted the administrative organs of the branches to fulfill the students' requirements. At the Social Sciences Institute, we decided to help the students who were preparing these for Certificates of Merit by supplying them with silk paper on which to print their theses and by permitting them to make photocopies of these theses on the institute's photocopiers. We are now preparing to buy a machine which will help in binding the theses. For the post-graduate stage, we pool all our potential and public relations resources to insure employment for some graduates, if it is available.

[Question] What are the future plans for the branches of the Lebanese University at al-Biqā'?

[Answer] The plans are numerous and the ideas abundant. However, we lack the objective circumstances which will help us implement these plans and ideas. Our first, modest plan is to undertake diligent efforts to end the school year in a natural manner, since we started it in a normal way. Then, the process of equipping the library--one of our principal tasks--will remain to be carried out. In addition, we are preparing at the Social Sciences Institute--in coordination with both the law and the literature colleges--a series of scientific and cultural activities, which we hope we will be able to carry out. We will leave it to these activities to speak for themselves when we carry them out.

Jesuit University Talks

Concerning the state of the Jesuit University in Zahlāh, we talked with Fr Michel Halbik, director of al-Biqā' Jesuit University branches, and Dr Salamah Khuri, director of the agronomy college at al-Biqā' Jesuit University. They took turns in answering questions, saying that the branches at Zahlāh and al-Biqā' are extensions of the mother Jesuit University in Beirut. The process of the university's expansion and extension began in the years 1976 and 1977, after the Lebanese University had begun extending as well.

To learn the purpose behind the extension of our university to Zahlāh and al-Biqā', the answer differs from the cases of Sidon and Tripoli. Many al-Biqā' residents previously sent their children--even in the secondary phase, particularly boys--to Beirut and Jabal Hubnan, and sometimes abroad. It is worth mentioning that al-Biqā' area graduates about 500 students with second class baccalaureates a year. Therefore, the idea of establishing a university in this area is a sound one, especially because our university chose its mission by opening branches fully compatible with the area's present and future needs and requirements.

Since 20 percent of the students with a second class baccalaureate whose number is approximately 6,000 and who hail from the Beirut area and from Jabal Lubnan register with our university in Beirut each year for 22 different specializations, that is, at an average of 50 students per specialization a year, then if this proportion is applied to the al-Biqa' area, its result will be 5 students a year for the 22 specializations. Therefore, it has become imperative that we give priority to those branches which fulfill the area's needs and fully interact with the area's needs, such as agronomy, the nursing sciences and business administration.

The second side of the matter is connected with material considerations, because our university offers to students a high standard which empowers them to cope with the international labor market, not just the local market. This presumes a high caliber of instructors and the choice of very costly lectures in circumstances in which state aid is totally lacking. Our university's extension at al-Biqa', which is a special case, faces purely local difficulties. Thus, we bear an inevitable deficit each year. This is regrettable. However, continuing our mission of serving everybody requires that we not burden the students with the full cost. But we wish we did not bear this deficit alone.

[Question] Why have you stopped the completion of your university's buildings above Zahlah?

[Answer] In fact, the Jesuit University, thanks to local donations, had started building the Academic Studies Center for Zahlah and al-Biqa' on a hill west of the city. However, the incidents which occurred in the area around the end of March 1981 halted the construction work. In view of this and of the situation in the area, the postponement of the construction work continues. Therefore, we have been condemned to being refugees who stay in halls which do not belong to us. We are now staying as guests in the eastern college for both the agronomy and business administration branches and as the guests of the Tall Shiha hospital for the nursing sciences branch. Credit for this assistance goes to the hospital committee chaired by his beatitude the Greek Catholic bishop and the Shuwayrite Monastic Order. Therefore, we are staying, especially on terms in accordance with which refugees are accepted and the institutions which now play host to us cannot diminish their activities to afford us more comfort.

Therefore, it is enough for us to say that we continue to work, although the completion of the building has long been postponed.

[Question] Are you sure that your branches fulfill the area's needs?

[Answer] As everybody knows, al-Biqa' is Lebanon's most important agricultural area. Therefore, our agronomy branch was established in this area; this branch is not an extension of any other agricultural branch, and it has no extension outside al-Biqa'. However, it was founded with the name "The Higher Institute of Agronomy for the Mediterranean Countries," so that it will serve this area, Lebanon and the other Mediterranean countries, in the future. It has also become clear that this area is in need of preserving the standard of its hospitals and, in this respect, our nursing sciences branch fulfills the area's

needs. It has also been noticed that business administration conforms to all the Lebanese area and to al-Biqa' and that it is not an exception to this rule. Furthermore, it has become clear that this area wants to preserve the standard of its schools, which gave rise to the idea of establishing a branch for kindergarten tutors. However, this idea stumbled in the absence of academic licentiate candidates for tutors. Since it is impossible to set up a university branch for only one girl student, we have helped the Eastern College establish a technical baccalaureate-level school for kindergarten tutors (with a 3-year study period). This school started 2 years ago and a sufficient number of girl students is available.

[Question] Al-Biqa' residents wish for other branches. What is your answer?

[Answer] Branches incompatible with the realities of the area and its practical and actual requirements are futile. At any rate, the establishment of any new branch presumes the availability of candidates for this branch as well as the availability of halls. If halls are available, it remains for us to provide the instructors and the students. However, if the question really represents the demands of some people, all that those who make these demands have to do is to come to us. We believe that the Jesuit University is ready to study the file for the establishment of any new branch in the area, but let us be realistic, in the present circumstances, and let us promote the existing specializations, because they are indeed the source of hope, self-sufficiency and gratification. We take the liberty at this point to recall the unemployment crisis which has struck at the traditional branches, such as medicine, law and architecture. Did not the doyen of doctors say loudly that Lebanon now no longer needs physicians but that it needs agronomists? Has not the president of the Jesuit University said that civil engineers go directly into the ranks of the unemployed and, therefore, agronomy and food production engineering must be consolidated?

[Question] How about the number of students?

[Answer] This question is phrased as though it were directed at the agronomy college which was founded 6 years ago to absorb students, who do not come only from all the Lebanese areas but who also come from all the Mediterranean basin countries, as the college's name indicates. However, in view of the present situation, the average number of students in each of the college's five yearly forms is approximately seven. The residents of other areas who wish to enroll in the college express fears about the passability of the roads.

[Question] You have graduated a batch of agronomists. How have you been able to do this, since you are not equipped for applied work because, up to this time, you have been refugees, as you have said?

[Answer] There are two kinds of applied work. The first is not far from being complementary to the theoretical lectures, and it is known by the term "laboratories." The second is directly connected with the problems of "the land," that is, with the practical problems of the agricultural sector.

Concerning the laboratories, we have not allowed this problem to prevail on us since we use the best laboratories available in the area and outside it: in the area we use the hospital's laboratories and those of the Tall 'Amarah station. Outside the area, we use the laboratories of the engineering college of the Jesuit University in Mar Rawkaz, which has the best equipment in the East, and this equipment is even similar to that of universities in the West. We also use modern lathes in the same area.

With regard to the other applied work, our students are trained at the huge Ta'nayil farm and also at the Turbul "Licarda" station where they use all kinds of agricultural machinery and contribute to the cross-breeding processes to develop seeds, as is the task of this international center. In addition, our students are definitely deeply involved in vegetable production, animal production, the economy, irrigation and the land, and our students, as they should be, are available to the foodstuffs industry and to all the problems connected with the sector. Our students have proved that they are conversant with the English language, which is the core of their courses. This has made it easy for us to extend the scope of their training to France, Spain, Italy and Belgium. This year, West Germany has promised us to take the new batch of graduating students for the purpose of training them.

Therefore, at this time, so far as buildings are concerned, we do not possess laboratories in view of the narrow space at our disposal. However, we use the most modern laboratories and perform applied work in the best manner. We do not own planes, but we always travel first class.

[Question] How about the standard of your university in al-Biqa' in comparison to the other areas?

[Answer] Our curricula in Beirut apply fully to business administration and to the nursing sciences. Our standard in these two branches enables our al-Biqa' graduates to face up to our Beirut graduates.

With respect to agronomy, we teach it in a unique way at al-Biqa. Therefore, it cannot be compared to branches that are nonexistent in the remaining areas. However, after our experiment last year, we have begun comparing our standards to those of Europe's largest universities. In this respect, the comparison is definitely to our advantage. Our graduates of last year have this year spread out in France, Spain, Italy and Belgium. They have compared their standards with those of other agronomists in these countries, only to report to us a reaction which makes us proud. At this point, I want public opinion to be properly informed of the facts and to realize that our graduates are those who are best armed for working in the agricultural sector. Our graduates are given simultaneously a deep and versatile education and they master three international languages, that is, French and English and, naturally, Arabic. They have also proved to all that we have succeeded in merging strength on the theoretical level with the ability to stress the practical side. To some people, this merger may be called a reconciling of the French curriculum with the American curriculum. But to us, it is a Middle Eastern and an international necessity which we now hold uniquely and of which we are proud.

[Question] How about the work fields?

[Answer] In relation to the nursing sciences, the situation is positive locally and outside the area, and the reaction to our male and female graduates is very reassuring. Although no coordination is effected between us and our business administration graduates, we are delighted to see them all around us in banks, insurance companies and other establishments.

With regard to the agronomists, we have, up to this time, graduated one batch of nine agronomists, that is, last year or in 1983-1984. While these agronomists were still students in the 4th year, work offers began pouring in to them, that is, before their graduation in a year and a half. But seven of them opted for a year of specialization in the aforementioned countries through grants offered by these countries. The remaining two agronomists took up their jobs immediately upon graduating. I repeat that the reaction from those who have traveled and those who now work here is a source of pride, both for the university and for us. We cannot but mention that we have used the principle of depth and versatility and of multilingualism in agronomy. We will always be successful in training our students inside and outside the area and in sending them abroad on study grants.

Lawyer 'Adil Layyun said:

Academic education in al-Biqā' is limited to some colleges of the Lebanese University and to some branches of the Jesuit University--al-Biqā' branches. These are the meeting point of a civic interaction among all the Lebanese factions, and they are also a living laboratory for peaceful coexistence among all sects.

With the beginning of the academic year, and to make our dream of a developed and modern homeland come true, we believe it is our duty to review the actual conditions in which al-Biqā' branches have lived since their establishment. What we will say about the actual state of the Lebanese University--in all its details--applies to nearly all the branches of the Jesuit University in Zahlāh, whose experiment has been very meager. This is because it lacks material and moral support, bearing in mind that it is distinguished by its selection of an elite group of efficient and specialized instructors.

With regard to the Lebanese University:

1. The university buildings are scattered in a way that does not enable all the students to meet and cooperate in all academic activities.
2. The necessary academic conditions are not available in the buildings housing the university branches. They lack playgrounds and large halls as well as laboratories and theaters.
3. The university library lacks many specialized books and reference works, even for specialists. Furthermore, it lacks special reading halls.
4. The security situation prevailing in al-Biqā' has led to:

- Repeated acts of vandalism and thefts in the Lebanese University.
- The cancellation of most of the subjects taught in foreign languages.
- The inability of the instructors from outside al-Biqā' to get here on a dependable basis and the noncompletion of the required curricula under the pretext of the security situation or weather conditions.

From the premise of this review and of the fact that al-Biqā' is isolated geographically from the capital and the other Lebanese areas, the establishment of an integrated Lebanese University is a pressing need. In addition to their contribution to economic development, universities are regarded as the main pillars of development in the areas in which they are available. Universities are the basic centers which seek to build man and to create good citizens. Therefore, we can sum up our future aspirations for al-Biqā' branches as follows:

1. Dispensing with all the buildings occupied by the university and setting up a "university city" which would secure for students the specializations they want as well as housing and food.
2. Founding a comprehensive academic library confined to one separate building, in which all the necessary means of insuring reading and education to those who seek them are available.
3. Improving the condition of the existing scientific branches and establishing new applied sciences branches consistent with the agricultural and industrial actual condition of al-Biqā' (the agriculture college, architecture, veterinary medicine). This option must come within a comprehensive and integrated educational plan formulated for the Lebanese University in all the Lebanese areas, provided that the economic and development conditions of all these areas are taken into account.
4. Reconsidering the status of some employees.
5. Limiting contracts to specialists from among the residents of Zahlāh and al-Biqā' and to the persons who can always arrive during their official duty hours and during lecture times, on the understanding that we should help the instructors who come from outside al-Biqā' bear the brunt of travel from Beirut to Zahlāh.
6. Taking a look at specialization grants for study abroad to outstanding students, as is being done in Beirut, so that a local teaching staff will be secured to work for the sake of the university in Zahlāh and al-Biqā'.
7. Making a comprehensive revision of the curricula in the university and linking all the phases of education together--from elementary to academic--so that a natural transition is insured, without taking steps that will lead students astray.

8. Imposing the teaching of materials of foreign origin in the original language, whether French or English, so that students will not be deprived, as is now happening, of learning about the production occurring in the foreign language, thus removing a basic point of weakness from the degrees granted by the Lebanese University--in comparison with the degrees granted by the American University and the Jesuit University. The academic diploma will glitter again, after it has remained without glitter since the beginning of the 1970's up to this time.

9. Promoting academic specialization by requiring a state doctorate, first class, of all those desiring to teach in one of the higher institutes of education in the university, and giving an opportunity--along with specialization grants--to the instructors who have entered the university with doctoral degrees, second class, to continue studying to obtain the doctoral diploma, first class, subject to the penalty of halting the signing of university contracts with them.

10. Encouraging the establishment of applied sciences colleges, a policy which coincides with the promotion of vocational education in the intermediate and secondary phases, which makes room for creating new work fields in Lebanon and abroad and which will enable us in the future to avoid graduating students who will remain unemployed and who, along with their growing number, will constitute a danger to the system and the entity as a whole.

The achievement of these demands will guarantee the preservation of a Lebanese university working for Lebanon and its continuity and for the safety of the youth, who are one of the main pillars of Lebanon.

Finally, we believe that the university is closely connected with the social, civic and political state of affairs in al-Biqa'. Therefore, action must be taken to develop this vital institution in the area to serve al-Biqa' and Lebanon.

12839

CSO: 4404/197

BANGLADESH

REPORTAGE ON VISIT OF PRC FRIENDSHIP DELEGATION

Speeches on Reception

Dhaka THE BANGLADESH TIMES in English 1 Mar 85 pp 1, 8

[Text] Mr. Wan Guo Quan, leader of the five-member delegation of the Chinese association for international understanding now visiting Bangladesh said on Thursday that the friendship of the peoples of Bangladesh and China was eternal like the flow of river.

Mr. Quan was speaking at a reception accorded to the delegation by the committee for understanding China at hotel Purbani.

Presided over by Prof. Muss Ansari, the function was addressed by former Foreign Minister Prof. M. Shamsul Huq, former adviser to the President on water resources and irrigation Mr. B. M. Abbas, A. T. Mr. Nurul Huda Mirza, Executive Editor of the Bangladesh Times Mr Anwar Zahid and industrialist Mr. Sadri Ispahani.

Mr. Wan Guo Quan said the Bangladesh-China friendship would be strengthened further in coming days. He said that the friendship of these two countries was needed to be strengthened in the interest of peace in the Asian countries.

Mr. Quan said that China aimed at improving relations with the entire third world opposing hegemonism. He said his country opposed foreign interference and hegemonism and as such, it supported the people of Afghanistan and Kampuchea struggling against outside interference.

Prof Shamsul Huq referred to the thousand year old friendship and fraternity of the people of China and Bangladesh and said the relations were now firmly rooted. He praised the tackling of poverty, illiteracy and disease by the Chinese people in their country and said it had created example and got great appreciation both from the developing and developed countries.

Mr Anwar Zahid said the delegation had come visit at a time when the national independence and state sovereignty of Bangladesh was not out of danger. He said the visit of the delegation would make the people of Bangladesh courageous in preserving their independence and sovereignty.

Mr. Zabid said the people of Bangladesh believed that the third world countries would be benefitted from a powerful China, both politically and economically. He said the goals of Bangladesh and China were identical. China was trying to get back their land while Bangladesh was fighting to get back south Tatpatty.

Mr. Zahid said China had always stood by the side of Bangladesh to help preserve its independence and sovereignty. He said nobody would be able to make an anti-China footing in Bangladesh.

Mr. Nurul Huda Mirza said the people of Bangladesh had great respect for the people of China. Mr. B. M. Abbas A. T. praised the Chinese systems in various sectors including agriculture and irrigation.

Mr. Sadri Ispahani dwelt on the trade, commerce and industrial cooperation between Bangladesh and China. He said whenever the prices of Bangladesh jute had fallen in the international markets, China had made substantial purchases at fair prices to make the prices stable.

Meeting With Ershad

Dhaka THE BANGLADESH OBSERVER in English 10 Mar 85 pp 1, 8

[Text] The visiting five-member Chinese goodwill delegation led by Wan Gouquan, called on the President and Chief Martial Law Administrator, Lt. Gen. H. M. Ershad at Bangobhaban on Saturday afternoon, reports BSS.

The leader of the delegation while giving the impression of their visit said they found in the people of Bangladesh immense fund of goodwill for the friendly people of China. He said wherever they went they were well received and they are grateful for the warm hospitality extended to them.

President Ershad said the visit of the delegation will help further cement the already existing friendly ties and cooperation between Bangladesh and China. Our people highly value Dhaka-Beijing friendship.

The President said that the friendship between the two countries is not confined to official level, but it took firm roots into the hearts of the two peoples.

President Ershad expressed his gratitude to the people and Government of China for their keen interest and continued help and assistance in "our nation-building activities".

He said exchange of visits by delegations of the two countries will contribute to the strengthening further the understanding and confidence of the two peoples which will have a favourable impact on ensuring peace in the region as well as in the world at large.

The leader of the goodwill delegation highly appreciated the efforts being made by the present Government for the betterment of the lot of the common-man.

The Chinese ambassador to Bangladesh was also present.

CSO: 4600/1432

BANGLADESH

NETHERLANDS MINISTER TALKS TO PRESS ON DEPARTURE

Dhaka THE BANGLADESH OBSERVER in English 2 Mar 85 p 1

[Text] Dhaka and The Hague have "very much" common view points on priorities of development plans and programmes of Bangladesh, the Netherlands Minister for Development Co-operation Mrs E. Schoo said in Dhaka on Friday, reports BSS.

Addressing a Press conference at the Zia International Airport before her departure after a six-day visit to Bangladesh the Dutch Minister said both the countries value "very highly" the emphasis on the creation of employment generating activities in the rural areas and specially informal education.

Mrs. Schoo said, it was quite encouraging to note that Bangladesh one of the major recipients of Dutch development assistance, had attached priority on economy in general land rehabilitation programme and stimulation of private enterprises in the country's Third Five Year Plan.

The development policy decisions of Bangladesh would create a number of "change agents" for attaining overall development of the country she said.

Mrs. Schoo was seen off at the airport by the Principal Finance Secretary and Finance Adviser, Mr. M. Syeduzzaman.

Mrs. Schoo said in course of her discussion with the functionaries in Dhaka the priority issue of population control in the third five-year plan came up and there was consensus on intensification of the population control programme to improve the living conditions of the people and for economic growth of the country.

Both the countries also feel that there should be greater participation of women in the country's development process she said.

Replying to a question, the Minister said Bangladesh was "efficiently and effectively" utilising the Dutch development assistance.

Besides visiting a number of Dutch aided projects Mrs. School during her stay in Dhaka met the advisers for finance and foreign affairs, the Minister for Planning and Land Administration and Land Reforms and discussed with them the matters of bilateral interest and the aid programme. She also paid a courtesy call on the President and CMLA Lt. Gen. H. M. Ershad

26 April 1985

BANGLADESH

ERSHAD DECLARES END TO 'CITY-BASED POLITICS'

Dhaka THE BANGLADESH OBSERVER in English 3 Mar 85 p 1

[Text] The President and Chief Martial Law Administrator Lt Gen H M Ershad said in Dhaka on Saturday that any attempt to disturb law and order would be dealt with severely and the Armed Forces in cooperation with the people and law enforcing agencies would foil any such move at all costs, reports BSS.

Addressing the officers and troops of the Armed Forces the President said, 'We cannot allow our children to be killed and the people to suffer in the name of politics'. He regretted that some political elements misconstrued his magnanimity and liberal attitude as weakness.

He said the days of city and town based politics were over and the politics confined to slogans newspaper statements and scribbling on the walls must come to an end as it could not bring about any good for the people. Such politics he said was obsolete in an independent country and it could not be instrumental to bring about any change in the government.

Sounding a note of warning to those who speak of importing alien revolution in the country President Ershad said the patriotic people and the Armed Forces who were God-fearing and deeply religious would totally frustrate any such move from any quarter. He said our revolution is industrial revolution agricultural revolution and these revolutions will bring about improvement in the quality of life of the common man.

He said the steps taken by his government since taking over the responsibility of the country's administration had been widely acclaimed both at home and abroad and the people started reaping their benefits.

The President said in accordance with the pledge given to the nation he had been making relentless efforts for a peaceful transition to democracy. But he said due to negative attitude of some political elements these could not be implemented. Rather he pointed out that these people were out to create lawlessness and indiscipline. They went so far that no government could allow these destructive activities to go unchecked he maintained.

President Ershad said in view of the latest situation the government had decided to seek people's mandate on March 21 on his policies and programmes.

Describing the Armed Forces as the symbol of the country's sovereignty and unity he said the glorious role played by them during the War of Independence would remain ever fresh in the memory of the people. He said they freed the country from alien rule through bloody war and they were ready to make any sacrifice to protect the hard earned independence. Our valiant Armed Forces would continue to remain ever vigilant for safeguarding the country's independence sovereignty integrity and security headed.

The President said the prime objective of the present government was to ensure an overall development of the country for making it happy and prosperous. The members of the Armed Forces had been contributing their mite and working shoulder to shoulder with the people for bringing about a radical change in the socio-economic condition of the people he said.

The DCMLA's PSOs the Chief of General Staff and senior officials of the three services were also present.

CSO: 4600/1426

BANGLADESH

INDUSTRIES MINISTER REPORTS ON EXPORT EARNINGS

Dhaka THE BANGLADESH OBSERVER in English 6 Mar 85 pp 1, 10

[Text] Bangladesh's export earning during the first seven months of the current fiscal year stood at Taka about 1451 crore (572 million U.S. dollars) DCMLA and Minister for Industries and Commerce Air Vice Marshal Sultan Mahmud said in Dhaka on Tuesday reports BSS.

He told a meeting of the Consultative Committee on export and import policy that 65 percent of the total export target for Taka 2238 crore for the fiscal 1984-85 was achieved till January, 1985. The growth in export earning during the period under review was 19 per cent higher than the corresponding period of the previous year.

The day-long mid term joint meeting of the Consultative Committee of the Export Promotion Council and Import Advisory Council, was aimed at reviewing the performances in the two fields. Secretary Minister of Commerce, Syed Hasan Ahmed and leaders of various Chambers of Commerce and Industries spoke at the inaugural session.

Emphasising the importance of export trade in the economic stride of developing nations like Bangladesh, Air Vice Marshal Mahmud however, said although our earning from this sector was on the rise but it was still just one third of four huge import bill He called for hard labour, devotion and sacrifice from all concerned to further increase our export earning.

Detailing the export performances of the period under review the Commerce Minister said because of a fall in domestic production, country's total export of traditional goods went down by 15 per cent. However there was an increase of 21 per cent in the export of non-traditional commodities during the seven months, he added.

Air Vice Marshal Mahmud pointed out that although the over all export volume decreased by seven per cent in seven months the earnings from export was higher because of price rise of some commodities in international market. He said if we wanted to boost export earning, we had to ensure higher domestic production.

He cautioned all that there was no guarantee that higher price would prevail to help the country fetch more money. Income in real sense could only be

attained by increasing the volume of exports he maintained. He called for identifying the reasons for the decrease in export volume and taking up all-out measures to resolve those.

Referring to the import policy, the Industries Minister said that since the present Government took over the policy had been liberalised to increase domestic production indigenous industries and boost export. He said inspite of foreign exchange constraints the Government was fully aware of the import of industrial raw materials and allocating requisite funds for that purpose.

Assuring the continuation of the present liberal policy, Air Vice Marshal Mahmud said since allocation alone could not help increase import the Government was working to bring some modification in the whole import trade.

CSO: 4600/1428

BANGLADESH

PAPER SUMMARIZES, COMMENTS ON NATIONAL WATER PLAN

Report on Plan

Dhaka THE BANGLADESH TIMES in English 6 Mar 85 pp 1, 8

[Text] Benefits from an efficient utilisation of surface and ground water in Bangladesh under a medium term plan (dredging and pumping) would reach optimum level between the years 1990 and 1995. There will be a national food grains surplus during the five years, but by the year 2,000 deficit may occur again.

However, it may be possible to maintain foodgrains surplus even beyond 2010 if a long term plan (of constructing barrages; for utilising the dry season flows of the Ganges and the Brahmaputra is taken up.

These conclusions are drawn in the preliminary review of the National Water Plan Framework.

The summary of the Framework was contained in a paper jointly prepared by Mr. Mabinuddin Chaudhury, Chief Engineer and Mr. Masroorul Haq, chief of Plan Formulation Section of the Master Plan Organisation (MPO) for a workshop on use of waters.

The MPO functioning under the Ministry of Irrigation, Water Development and Flood Control has been entrusted with the responsibility of formulating and finalising a national water plan by December this year.

In its projections the MPO assumed one per cent increase in foodgrains yield per annum lower population growth and an efficient utilisation of the available water resources.

The implementation of a long term National Water Plan will require at least 25 years provided the needed investment can be made. Optimal uses of the ground water and the surface water through pumping and dredging are visualised for the medium term use of water resources.

A combination of both the medium term and the long term schemes has been south in the framework.

The medium term scheme it said, may include measures such as dredging the off-takes to increase the dry season flow into distributaries (or tidal back flow

into tributaries); pumping by floating, pontoon mounted pumping stations; or pumping from stations located on stable non-eroding sections of river banks. Economic analysis indicated favourable cost-benefit ratio from these measures, the paper said.

This medium term scheme will have a significant lead time and needed to be launched during the Third Five Year Plan, (TFYP).

The National Water Plan will have to accommodate the problems of preventing the intrusion of saline water in south east and south west regions of the country, maximising pisciculture, maintenance of water ways, and meeting the water use needs of industries, and flood control during the rainy season.

The MPO has by now circulated the third interim report of the proposed national water plan for a critical review by a cross section of experts.

TIMES Editorial

Dhaka THE BANGLADESH TIMES in English 9 Mar 85 p 5

[Editorial]

[Text]

The Master Plan Organisation, working under the Ministry of Irrigation, Water Development and Flood Control, is seemingly fully prepared to give final shape to a water plan framework by December this year, which will encompass the Brahmaputra and the Ganges river basins. Projections indicate that a medium term scheme, fairly in an advanced stage of preparation now, and which is likely to be operational with the Third Five-Year Plan, will constitute the heart of the overall national water plan. The mid-term programme will be devoted to an optimal use of the ground water and the surface water. The strategy to achieve the objective may include dredging of dry season offtakes to increase flows into the distributaries or tidal backflow into the tributaries together with an elaborate pumping arrangements. The 25-year long term plan envisages the construction of barrages to secure and utilise the dry season flows of the Ganges and the Brahmaputra. There is likely to be a simultaneous implementation of both the long and short term programmes to press them into service along with the population cut-back effort and the on-going endeavour to increase agricultural yields.

The schemes for optimising the use of ground and surface waters cannot obviously be considered in isolation from the problems of river ero-

sion, floods and the dry season intrusion of saline waters from the sea. The confluences of the Ganges, Brahmaputra, Jamuna and Meghna present a sordid scene of erosion of the river banks so much so that their courses at points are changing to endanger the hearths and homes of numerous people. Particularly, erosion along the Jamuna during the last floods played a havoc by unmaking of many homes and the inundation of farmlands leaving many people complete destitutes.

Even the normal floods account for a crop damage worth Tk. 300 crore annually as estimated by the experts. It is easily imaginable how much more would be the loss if the floods were more serious. As far as it depends on us to minimise the effects of flood we ought to put an accent on flood control projects like having loop canals and smaller embankments. We may be a little ingenuous to tie up embankment with dredging, in the sense that earth work done in case of the latter could be conveniently used to raise the former. This will be a cost-saving measure.

The problem of saline water intrusions in southeast and southwest regions of the country cannot be ruled out without solving the factors that cause and exacerbate it. The upstream withdrawals certainly constrict the lower riparian flows with the result that saline sea waters from the south creep up into southern portions of our land to the detriment of agriculture and environment. Water logging is an issue associated with uneven and disturbed flows of rivers within a country.

In the ultimate analysis, while we did our best to make the most of our available water resources, our concurrent effort must be to secure an augmentation of the dry season flows of the Ganges. And, as for the floods and erosions, the coriparian states must come to an understanding for a scientific and equitable use of the common rivers through construction of reservoirs upstream to contain the floods and conserve water for the dry season, to the benefit of all the peoples concerned.

BANGLADESH

PAPERS REPORT ON PROBLEMS OF RIVER WATER SHARING

Problems Caused by New Dam

Dhaka THE BANGLADESH OBSERVER in English 13 Mar 85 pp 1, 8

[Text] While the Joint Rivers Commission was working on an acceptable formula for sharing the waters of the international river Teesta India has already constructed a Farakka-type barrage at Gajaldoba in Jalpaiguri district of West Bengal.

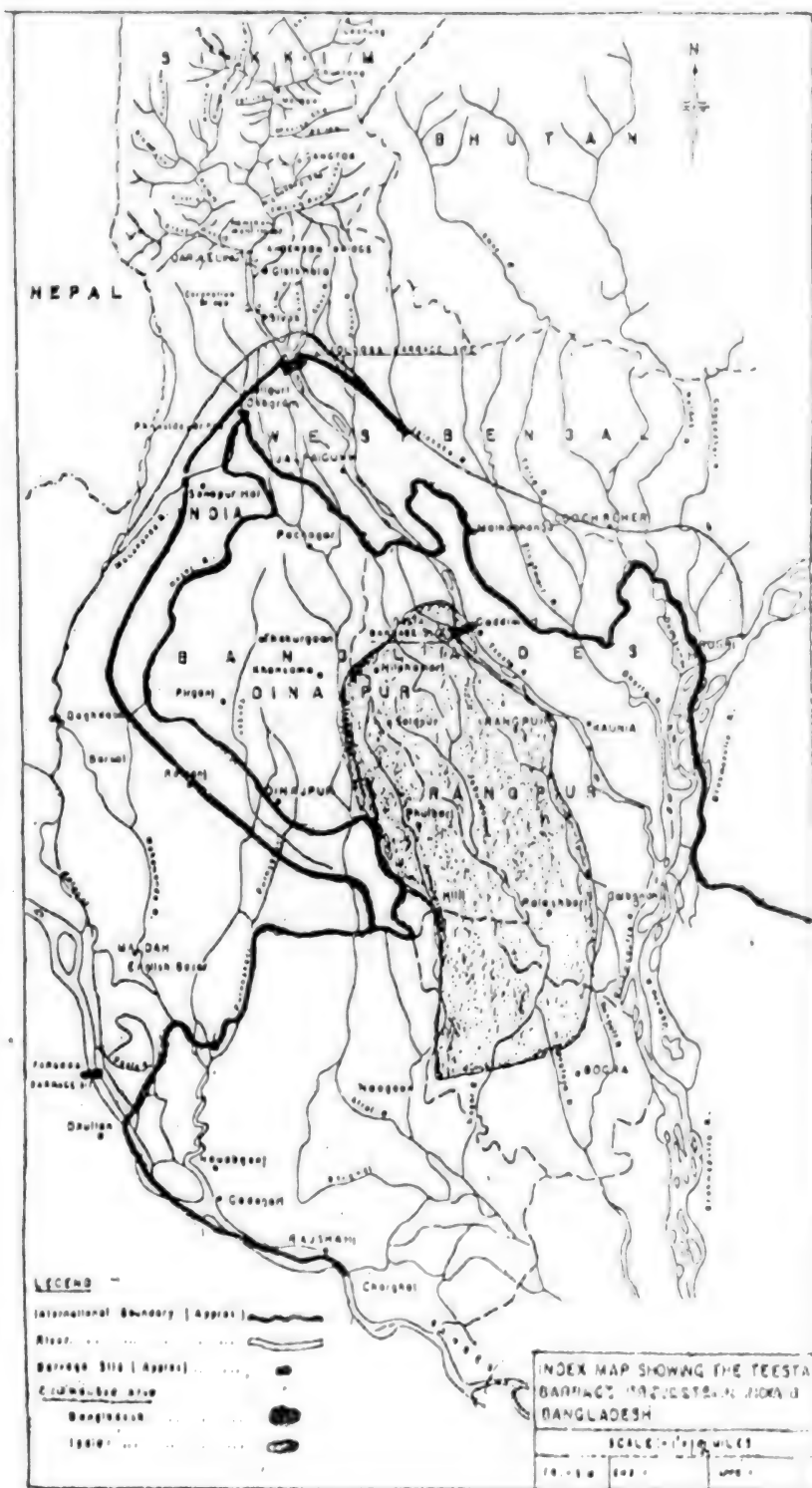
The massive Gazaldoba Barrage project will be commissioned within this year probably by June next. The arbitrary action of the Indian government which is in clear disregard to and violation of the International Law will create serious irrigation problem in many northern districts of Bangladesh in the dry season and threat of floods in the monsoon when the Gazaldoba Barrage will be put into operation.

According to ad hoc agreement reached at the 25th meeting of the JRC held in July 1983, India and Bangladesh would share the waters on the basis that India would get 39 per cent and Bangladesh 36 per cent and the rest would remain unallocated. The agreement will expire in December this year. There is no indication from the Indian side for renewal of the agreement.

The three-day secretary level meeting of the JRC that ended in Dhaka on Tuesday (March 12) failed to produce any tangible results in this respect. A cryptic joint press release issued in Dhaka on Tuesday after the conclusion of the much talked about meeting said, "the two secretaries held in depth discussions on the documentation of the ad hoc sharing arrangements and the finalisation of the terms of reference for scientific studies relating to the sharing of the Teesta waters. The just concluded meeting could not be held according to the schedule due to India's reluctance. Meanwhile, India went on giving final touches to the Gazaldoba project and constructing irrigation canals to divert the Teesta waters to districts in West Bengal. Now the project is almost ready for operation.

Dhaka's Viewpoint Rejected

India is learnt to have rejected the Bangladesh viewpoint on the lean period--October to April--requirement of the Teesta waters Indian contention is that



Thick (small) dotted point is Gazaldola barrage. The outer thick line is the irrigation canal constructed by India. The inner thick lines show outlines of Bangladesh's boundary. Inside the area marked is the proposed command area of Teesta project and the dotted point is the site of the barrage at Dalia.

Bangladesh might at best claim some waters (quantum undefined) from the Teesta from the month of December to April. After December next, when the ad hoc agreement period expires Bangladesh will have to be at the mercy of India for waters of the Teesta as it has happened in case of the Ganges water. The agreement on the Ganges waters expired on May 31, last year. The flow of the Ganges waters are withdrawn at Farakka resulting in the nonavailability of adequate waters for irrigation in the northern districts.

Ecological Balance Affected

Many navigational channels have also been dried up as a consequence besides adversely affecting ecological balance. Mean while Bangladesh has also undertaken a scheme for creating a reservoir under the name Teesta barrage project in Nilphamari district. Some work on the project has been done at the barrage site at Dalia (Nilphamari).

Experts feel that the Teesta barrage project might not give its desired results when there is no surity of availability of waters because of the creation of the Gazaldoba barrage that will control and regulate the water flow.

The Bangladesh proposal for sharing of the Teesta waters at the border of the two countries based on the data at new Jalpaiguri and Dalia is not acceptable to India. For that purpose Bangladesh had suggested construction of a barrage at the border of the two countries.

The Teesta barrage project has been planned to provide irrigation facilities to a gross area of 1.89 million acres of land. The 36 per cent of the Teesta waters which Bangladesh is to get as per the on going ad hoc arrangement is already inadequate for irrigation of the planned command area. Further reduction of the Teesta waters would make the situation still worse.

With the present quantum of water which is about 1600 cusecs in March at Dalia, about 0.32 million acres of land can be provided with irrigation facility for growing wheat during the dry season leaving the rest command area of the Teesta project without irrigation water, though the area is fit for growing cereals, oil seed sugarcane and fodder.

Talks on Teesta Dam End

Dhaka THE BANGLADESH OBSERVER in English 13 Mar 85 p 1

[Text] Bangladesh and India on Tuesday finalised report on the documentation of the adhoc sharing arrangements and finalisation of the terms of reference for scientific studies relating to the sharing of the waters of the river Teesta, reports BSS.

The report was finalised at a three-day Secretary level meeting between the two countries concluded in Dhaka on Tuesday Mr Mohammad Ali, Secretary, Ministry of Irrigation, Water Development and Flood Control led the Bangladesh delegation to the meeting while the Indian team was headed by Irrigation Secretary Mr. M. G. Padhye.

This was the fifth Secretary level meeting between the two countries after the Joint Rivers Commission assigned the two secretaries to accomplish the task of finalising the report, which would now be submitted to the IRC.

However, details of the report that was finalised on Tuesday was not made known by the two sides. A joint press release issued at the end of the meeting said that the two sides held talks in an atmosphere of "cordiality, friendship and mutual understanding" added that the two secretaries held [words indistinct] report.

When asked by the newsmen, leaders of two delegations observed that they had nothing further to add since the report would now be considered by the Indo-Bangladesh Joint Rivers Commission.

The Indian delegation left for home in the afternoon Mr. Mohammad Ali, the leader of the Bangladesh delegation and Indian High Commissioner in Bangladesh Mr. I. P. Khosla were among others to see off the delegation at Zia International Airport.

Bangladesh team to the meeting included among others, Mr. Amjad Hossain Khan member, IRC and Mr. C. M. Shafi Sami, Director General of the Foreign Office, Mr. K. Rangachari, member JRC and Mr. S. T. Deavre joint Secretary in the External Affairs Ministry, were among others in the Indian team.

More on Problems Caused by New Dam

Dhaka THE NEW NATION in English 16 Mar 85 pp 1, 8

[Text] The fate of Ganges-Kobadak project has become uncertain due to unilateral withdrawal of Ganges waters at Farakka point by India. The water level has already hit all time low at Hardinge Bridge resulting in virtual stoppage of water flow to all the tributaries in northern and southern region of the country affecting the irrigation.

The 26 districts of the region are now in the grip of an unprecedented water crisis as the tributaries of the Padma criss-crossing the region are also drying up.

The Khulna Newsprint Mill is on the verge of closure as salinity in river Bhairab is on the rise due to absence of sufficient flow of sweet water to keep the Bay Water at bay.

The Pakshey-Bheramara ferry channel is about to close following the unusual fall of the water level of the Padma.

About 40000 thousand cusec water were discharged at Farakka point last year by India while the discharge this year had come down to only 19000 cusecs.

The earmarked area to be irrigated under G. K. project was 3 lakh 50 thousand acres initially but only 90,000 acres are to be irrigated this season due to paucity of water.

The irrigation water will now be rationed among the farmers in the project area by the authorities. The water will be supplied to the farmers at an interval of 9 days considerably affecting production underground water level in Kushtia, Jenidah, Chuadanga and Magura were falling. The water pumps at the G K Project area are now operating only at 70 percent of their capacity. A thorough recast of the irrigation strategy taken up in 1954 is needed. The present system has become obsolete due to poor supply of river water.

The Navigability of river Garai and Bhairab have been threatened consequent upon the fall of water level in the mother river Padma.

Editorial Reviews Situation

Dhaka THE BANGLADESH OBSERVER in English 16 Mar 85 p 5

[Editorial]

The fifth, three-day secretary level meeting on the sharing of Teesta waters concluded on Tuesday with a proposal, among other technicalities, to finalise the terms of reference for scientific studies etc. relating to the sharing of the water of the river Teesta. It may be noted that the Dhaka JRC meeting had been due to be held one and a half years ago according to an agreement reached at the 25th meeting of the JRC in July 1983. In the meantime, however, India has all but completed a barrage at Gojaldoba in Dinajpur together with construction of irrigation canals to divert Teesta waters to districts in West Bengal. Obviously, the Indian delegation at the Dhaka meeting faced its Bangladesh counterpart with a fait accompli.

Among other facts to be noted are: (i) according to the agreement reached at the 25th meeting of the JRC held in July 1983 the quantum of Teesta water to be shared by Bangladesh and India was 36% and 39% respectively. The agreement expires in December this year with no sign, as yet, of its renewal; (ii) the agreement on the sharing of the Ganges waters at Farakka expired on May 31, 1984 with no renewal, either. So the problem faced by Bangladesh is two-fold as far as availability of an adequate quantity of river water for its irrigation and navigational purposes is concerned. This is because the areas of control of water by India have now become two instead of one, covering nearly half of Bangladesh.

Already during the current dry season the falling water levels in the rivers, siltation and other navigational and irrigation problems arising from water scarcity mark a grim prospect for the agriculture and ecology of the entire affected area.

Incidentally, the 36 per cent of Teesta waters allocated to Bangladesh would irrigate only 0.32 million acres of land leaving a vast acreage arid. Under these circumstances what is crucial to Bangladesh is not the study of technicalities— which would mean only more foot-dragging or excuses for it, with increased deprivation and frustration for Bangladesh—as getting down to the business of solving the problem of the rights of the riparians to the waters of Teesta and the Ganges, on an equitable basis. The more scientific (geophysical) fact, however, is that the Himalayan region of Sikkim is the source of water available for the entire region including Bangladesh. But the Gojaldoba barrage has come up as a barrier to Teesta-water flowing down to lower riparians and has enabled India to regulate the flow downstream or divert it in other directions upstream.

For one thing, if the barrage in question is designed to befit the two riparian countries on an equitable basis, it can be achieved only by a joint control of the flow of the river. For another, scientific or other devices aimed at obstructing the natural flow of rivers flowing across the riparians can be seen nowhere else in the world. The Danube or the Rhine covering about 8 countries has created no problems of this nature for the riparians. In the subcontinent the Tarbela and Mongla dams in Pakistan have also created no water sharing problems for India vis-a-vis Pakistan, present or former. Instead, what we see is an uninterrupted flow of international rivers along their natural courses without any harm contrived by technological or other means to any one or other country. The Colorado dam, for instance, was constructed by America at its own expense in compliance with Mexico's legitimate demands and without affecting Mexico's share of the waters.

As we understand the problem in our lay way, there are two ways in which the problem can be satisfactorily solved for both countries: (1) cutting across the technicalities, through a readiness, specially on the part of India, to cooperate with Bangladesh and decide about the legitimate share of waters to be received by the lower riparian Bangladesh. Needless to say, since the regulation of the waters in question lies now wholly with India, it is the latter that is expected to recognise the rights of a co-riparian to the waters. For, at bottom, it is a question of rights to the just share of international waters. The other approach to the problem may be : reopening the traditional, ancient water routes to commercial and other traffic between the time-old points in the sub-continent using the Ganges, the Brahmaputra and their tributaries as the perennial highway of communication from the east to the west, from Assam to Patna and Allahabad in the sub-continent.

When all is said, the factor on which the whole issue seems to hinge is the political will of India coming up with a positive attitude of cooperation and understanding towards the settlement of a question that would otherwise perhaps be never solved.

Perhaps it stands to reason that the political division of the sub-continent should not lead, or have led, to the cutting up of the natural courses of water into water-tight blocs by raising dams and barrages. The latter are an encroachment both on nature and fundamental human and international rights.

When Will It All Cease ?

With anger greater than our grief we have to comment on the young couple who on going to their marriage, found death instead. A killer truck rammed into the vehicle carrying them and the bridal party, sending the husband (25) to eternal rest and leaving the young widow (18) unconscious. She is now lying in hospital perhaps in a more blessed state than when she recovers and realises she has lost all that a brief while before constituted her lifelong happiness. Four other members of the bridal party were killed, and 18 injured in the accident.

This happened on the way to the village Doari under Lalpur upazila in Natore immediately after the wedding ceremony. In a few minutes marriage had become a feast of death to which mourners would be invited. And why? The killer truck, of course, the scourge of our country that roams about seeking whom it may devour.

How many times has death occurred in our country by this means is almost beyond calculation. Always, or almost inevitably, a carrier truck is involved, carrying sand and cement, or bricks, for another building to house the living and, on its journey, housing the dead.

Though tragedies of this kind do not blunt our immediate horror when we hear of them, we are almost tired of reporting them. They go on in spite of all the criticism levelled at the erratic running of trucks, in spite of all the tears shed as a consequence.

BANGLADESH

BRIEFS

JUTE EXPORT REGISTRATION--The government after careful review of the existing situation of raw jute had decided to withdraw immediately the ban on further registration of export sale of raw jute, reports BSS. The ban was imposed with effect from October 9, 1984, an official announcement said here yesterday. Accordingly, only those shippers and exporters who have shipped at least 50 per cent of the quantity against their contracts entered into since July 1, 1984 will now be allowed to make further export registration of raw jute by Bangladesh Bank as per existing rules and procedures. The shippers and exporters who have not shipped at least 50 per cent of the goods contracted during the same period will not be allowed to register further export sale of raw jute, the announcement said. [Text] [Dhaka THE NEW NATION in English 8 Mar 85 p 1]

PORTUGUESE AMBASSADOR'S CREDENTIALS--Ambassador designate of Portugal to Bangladesh Dr Antonio Telo de Almeida presented his credentials to the President and CMLA Lt. Gen. H. M. Ershad at Bangabhaban on Tuesday, reports BSS. Presenting his letter of credence Dr. Almeida expressed the hope that the already existing friendly ties between Portugal and Bangladesh would be further strengthened to the mutual benefit of the two countries during his tenure of office in Bangladesh. Reciprocating similar sentiments, President Ershad assured the new envoy of all possible help and assistance in the smooth discharge of his duties. Earlier on arrival, the new ambassador was given a guard of honour by the President's guard regiment. He took the salute and inspected the guard. [Text] [Dhaka THE NEW NATION in English 7 Mar 85 p 3]

CHITTAGONG COLLEGE CLOSED--Chittagong, Mar 3: Chittagong Engineering College was closed sine die today and the resident students were asked to vacate hostels by this evening. Principal of the college Mr. A. K. M. Rezaul Karim, when contacted, said there was no alternative but to close the college to tackle the growing lawlessness by a section of students in the campus. On the other hand, leaders of Students' Representative Council of the college alleged that the authorities closed the college illogically instead of meeting the students' demands including extension of preparatory leave and duration of examination. Earlier, the students boycotted classes and brought out processions in the campus in support of their demands. They also decided to go on hunger strike unto death from March 8 if their demands were not met by then. [Text] [Dhaka THE NEW NATION in English 4 Mar 85 p 1]

REACTION TO TIN BIGHA--United People's Party (UPP) has strongly protested sealing off of Tin Bigha corridor connecting Angorpota and Dahagram--two Bangladeshi enclaves by the Indian Border Security Forces (BSF). In a joint statement yesterday, UPP Chairman Kazi Jafar Ahmed and General Secretary Mostafa Jamal Haider said this move is nothing but an 'expansionist design against the independence and sovereignty of Bangladesh. They noted with grave concern that the life of 15,000 citizens of the two enclaves is at stake and said that the freedom-loving ten crore people of Bangladesh would not tolerate this kind of what they called 'attack'. [Text] [Dhaka THE NEW NATION in English 28 Feb 85 p 8]

ILLITERACY IN BANGLADESH--A three day international seminar on "role of educated women in combating illiteracy among women" concluded in Dhaka on Saturday with a call for linking the literacy programme for rural women with income generating process, reports BSS. Organised by Bangladesh Federation of University Women in collaboration with UNESCO and NORAD the seminar was participated by more than 200 delegates from home and abroad representing 32 women voluntary organisations. Speaking as chief guest at the concluding session Dr A M Sharafuddin, Secretary Science and Technology Division said that to make literacy programme effective it should be combined with the process of overall social change. He said that Bangladesh has two per cent of world population while on the other hand it was seven per cent of world illiteracy. In his presidential speech Mr. Azizul Huq, former Minister, said that in providing literacy to the rural masses, the traditional institutions like mokhtabs should be utilised and reading materials should be prepared having link with rural life. Prof Roushan Ara Rahman President of the federation also spoke. [Text] [Dhaka THE BANGLADESH OBSERVER in English 3 Mar 85 p 3]

ENVOY TO GUINEA--The government have decided to concurrently accredit Brig. A. N.-M. Nuruzzaman, BU (Retd) at present Ambassador of Bangladesh to Senegal as Bangladesh Ambassador to the Republic of Guinea, foreign office announced in Dhaka on Wednesday reports BSS. [Text] [Dhaka THE BANGLADESH OBSERVER in English 28 Feb 85 p 3]

SOCIAL WELFARE MINISTER--The President and Chief Martial Law Administrator, Lt Gen H. M. Ershad on Wednesday appointed Barrister Rabia Bhuiyan a member of his Council of Ministers, reports BSS. The President administered the oath of office to the newly appointed Minister at a simple ceremony at Bangabhaban on Wednesday afternoon. Mrs Bhuiyan has been assigned the portfolio of the Ministry of Social Welfare and Women's Affairs. The DCMLAS-Rear Admiral Sultan Ahmad and Air Vice Marshal Sultan Mahmud Ministers and high civil and military officials were present on the occasion. [Text] [Dhaka THE BANGLADESH OBSERVER in English 28 Feb 85 p 1]

AMBASSADOR TO JAPAN--Bangladesh Ambassador to Japan, Mr A. K. N. Ahmed presented his credentials to Emperor Hirohito on Wednesday reports BSS. During the ceremony, the Emperor enquired about the health of Bangladesh President and wished the welfare and prosperity of the people of Bangladesh. In reply Ambassador Mr Ahmed conveyed the best wishes of Bangladesh President for continued good health of the Emperor. [Text] [Dhaka THE BANGLADESH TIMES in English 28 Feb 85 p 3]

INDIA

IMPORTANCE OF RAO'S VISIT TO MOSCOW NOTED

TIMES News Service Report

Bombay THE TIMES OF INDIA in English 9 Mar 85 p 9

NEW DELHI, March 8--THE defence minister, Mr. P. V. Narasimha Rao, will pay an official visit to Moscow beginning on March 12, a few weeks before the Prime Minister, Mr. Rajiv Gandhi's proposed state visit to the Soviet Union.

Mr. Rao, who is leading a high-power delegation, will discuss the deteriorating regional security situation and bilateral co-operation in the field of defence production with the Soviet defence minister, Marshal Sergei Sokolov.

Mr. Rao's visit was announced today here and in Moscow simultaneously.

The defence minister will be accompanied by the defence secretary, Mr. S. K. Bhatnagar, Air Marshal M. S. D. Wollen, chairman of the Hindustan Aeronautics Ltd. and senior officers of the three services.

The Soviet Union, which is a major supplier of defence equipment to India, made a significant commitment in March 1984 to give high priority to India's requirements for advanced technology aircraft, electronic counter-measure devices, equipment with higher strike power for the army and the latest sensing systems to increase surveillance capabilities of naval ships.

The agreements signed during the then Soviet defence minister, Marshal Dimitri Ustinov's visit here in March 1984, were followed up by Indian officials' visits to the Soviet Union.

In October last, the then defence minister, Mr. S. B. Chayan, led a delegation to Moscow but his visit was cut short because of the assassination of Mrs. Indira Gandhi.

Mr. Rao's visit to Moscow has assumed added importance since the recent espionage scandal has highlighted the role of the middlemen involved in defence deals with the Western countries. In the case of the Soviet Union, it is always government-to-government transactions.

The high-level Indo-Soviet talks have always reflected a more or less common perception of the regional security environment which has been causing concern to India because of the sophisticated weapons being acquired by Pakistan from the U.S. The two sides also share concern over the militarisation of the Indian Ocean region.

Despite this common approach, India has recently tried to diversify its sources of defence supplies but only with limited success since its insistence on transfer of technology is not appreciated by some countries.

The Soviet Union, on the other hand, has co-operated in ensuring self-reliance.

Self-Reliance

India has set a target of achieving self-reliance in most of the defence systems by 1990 and is seeking to increase its research and development capabilities. This is one area in which the Soviet Union has offered to collaborate.

The talks will cover the supply of MiG 29 aircraft which is considered to be superior to the American F-16 Falcon fighter supplied to Pakistan.

The Soviet Union has offered to give India design and production technology for its proposed Light Combat Aircraft. India is planning to develop this with assistance in selected areas. It is currently producing MiG-27 with Soviet collaboration.

India has been in the market for a 155-MM gun and some of the Western countries are front-runners in this area.

The talks in Moscow will cover the proposed supply of electronic surveillance aircraft of E-2 C Hawkeye to Pakistan by the U.S. and the Indian requirements to counter this challenge.

High-Tech Items To Be Discussed

Madras THE HINDU in English 9 Mar 85 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, March 8.

The Defence Minister, Mr. P. V. Narasimha Rao, will be paying a five-day official visit to Moscow from March 12 at the invitation of the Soviet Government. He will be accompanied by a high-power delegation to discuss the delivery schedules of new weapons systems and collaboration arrangements for indigenous production as part of an on-going process of co-operation for modernisation of India's armed forces.

The delegation will include the Defence Secretary, Mr. S. K. Bhatnagar, the chairman of Hindustan Aeronautics Limited, Air Marshal M. S. D. Wollen, senior officers of the Army, Navy and Air Force, financial and scientific advisers to the Defence Ministry and others dealing with

Indo-Soviet defence cooperation.

After the former Soviet Defence Minister, Marshal Dmitri Ustinov, visited India in March, 1984, to discuss the country's defence requirements, the former Defence Minister, Mr. S. B. Chavan, went to Moscow last October end for follow-up talks to settle delivery schedules and finalise collaboration agreements. But he had to return to Delhi the day after his arrival in Moscow, following Indira Gandhi's assassination.

High tech. items: Mr. Narasimha Rao is now going for in-depth discussions with the new Soviet Defence Minister, Marshal Sergei Sokolov, on the details of the high technology items promised by Marshal Ustinov on an

"urgent basis", giving India access to the latest Soviet weapon systems.

It is not customary for Indian Defence Ministers to negotiate new arms deals during goodwill visits. They concentrate on arriving at a broad measure of understanding for upgrading and expanding on-going cooperation, leaving the technical and financial aspects to official delegations. But this cooperation venture acquired a new dimension after the visit of the late Ustinov, when he offered greater access to the latest Soviet equipment, besides promising active assistance in helping India design, develop and manufacture its own weapon systems.

Latest ECM: Apart from MIG-29 aircraft, T-72 tanks and BMP vehicles, heavy helicopters and IL-76 transport planes, the Soviet Union agreed, during the Ustinov visit, to provide the very latest electronic counter-measures (ECM) for India's air defence, surface-to-air, air-to-surface and air-to-air missiles, multi-purpose radars, highly sophisticated sensing systems for naval warfare and various types of communications equipment.

The HAL has already started manufacturing the advanced MIG-27 series in India under licence, to supplement the MIG-23s purchased from the Soviet Union. But there has been some delay in the delivery of the latest MIG-29s, which are more than a match for the F-16s supplied by the U.S. to Pakistan. India wanted to wait a little longer until all the bugs were eliminated from this multi-purpose air-

craft, which only recently went into squadron service with the Soviet Air Force.

Preparing the ground: As Minister for External Affairs, Mr. Narasimha Rao visited Moscow several times in the last five years and also accompanied Indira Gandhi on her trips there. As he is going before the new Prime Minister, Mr. Rajiv Gandhi, pays his first official visit in May, the two governments will certainly use Mr. Rao's visit for political exchanges to prepare the ground for Mr. Gandhi's trip.

Mr. Narasimha Rao is perhaps the only one in the present cabinet who knows top Soviet leaders like the Foreign Minister, Mr. Gromyko, the Minister for Foreign Economic Relations, Mr. Arkhipov, and the Minister for Industry, Mr. Goldin, who continue to be important personalities in the Soviet government. However, he is quite new to the Soviet military establishment.

May raise eyebrows: The timing of his visit is bound to raise eyebrows in Washington, because American experts on India have been expecting Mr. Rajiv Gandhi to make a conscious effort to improve relations with the U.S. The point that India wants to drive home before he goes to Washington in June is that it does not intend to dilute relations with Moscow to qualify for better understanding with the U.S.

This position will become quite apparent to the U.S. Under-Secretary of State, Mr. Michael Armacost, when he arrives in Delhi on March 13, the day after Mr. Narasimha Rao has left for Moscow.

CSO: 4600/1415

INDIA

REPORTAGE ON VISIT OF PRC TRADE DELEGATION

Chamber of Commerce Pact

Bombay THE TIMES OF INDIA in English 4 Mar 85 p 15

[Text] NEW DELHI, March 2--An agreement to promote and develop economic and trade relations between India and China was signed here today between the Federation of Indian Chambers of Commerce and Industry (FICCI) and the China Council for Promotion of International Trade (CCPIT). Mr. Ramakrishna Bajaj and Mr. Wang Yao Ting signed the agreement on behalf of the two organisations.

The agreement covers the entire gamut of economic relations, including joint ventures, technical co-operation, consultancy services, exchange of information and new technology and new processes of production in the respective countries.

The visiting high-level eight-member Chinese delegation and Indian businessmen agreed to intensify efforts to expand trade and to step up industrial collaboration and joint ventures between the two countries. He hoped that the two-way trade between India and China would be increased to cover \$one billion in the four to five years from \$63 million in 1983. He suggested that a joint trade plan should be worked out under the aegis of the agreement signed today.

China's adoption of an open-door policy, Mr. Bajaj said, had ushered a new era of technology importation, foreign co-operation and joint ventures.

Mr. Wang agreed with Mr. Bajaj that the present trade between India and China was too small and it needed to be stepped up in view of the large size and resources of the two countries. Mr. Wang said that Indian industry and technology was in great need in China. He invited Indian entrepreneurs to transfer technology, make investment and set up joint ventures.

The Chinese ambassador in India, Mr. Li Lianqing, said that economic and trade circles in the two countries were not happy with the present volume of trade between India and China.

The areas where India could offer technology to China include hotels, engineering goods, transport equipment, thermal power stations, tyre and tubes, rubber and rubber products, pesticides, industrial gases, plastics and paper.

China could offer technology to India in bio-gas plants, mini-steel and cement plants, medicine and rice cultivation.

Businessmen's Meeting in Delhi

New Delhi PATRIOT in English 5 Mar 85 p 2

[Text] The need to strengthen the line of communication between India and China was emphasised by the leader of the Chinese council for Promotion of International Trade and Indian entrepreneurs at a meeting held in Delhi under the auspices of the Punjab, Haryana, Delhi Chamber of Commerce and Industry (PHDCCI) on Monday.

The two sides felt that information pertaining to industrial and agricultural production, technological development and export situation in the two countries should be made available for the benefit of the common people.

Mr Wang Yao Ting, the leader of the Chinese delegation, welcomed the proposed visit to China of the PHDCCI delegation from 22 March, 1985. He said the scope for stepping India-China trade today was greater than it was a few years ago.

The total trade turnover of the two countries went up to Rs 130.94 crores as compared to Rs 25.42 crores in 1978-79 but in 1982-83 it dropped to Rs 117.1 crores. The estimates for the first six months of 1983-84 indicate that the two-way trade will further decline as since the last three and a half years there has been a negative trade balance for India. India and China have agreed to move towards achieving a total trade turnover of around \$1 billion in the next few years from about \$62.5 million in 1983.

However, as a result of the recently concluded trade agreement, Indian exporters will now get the benefit of the "most favoured nation treatment". The absence of this treatment was one of the actors contributing to India's substantial trade deficit with China.

Earlier PHDCCI president Mr W N Talwar said that the chamber has decided to sponsor a high-powered industrial delegation to China to explore and identify further areas of importa, export and joint ventures.

The members of the delegation represent diverse interests which include pharmaceuticals, automobiles, agricultural implements including tractors, textiles, compressors, light engineering good electronic appliances, hotel and tourism, polythene films for storage of foodgrains etc and management education and consultancy.

Joint Ventures Discussed

Calcutta THE STATESMAN in English 7 Mar 85 p 3

[Text] BUSINESS circles in Calcutta suggested to a visiting Chinese trade delegation on Wednesday that the two countries have arrangements on the line

of the Indo-Soviet bilateral trade agreement. The question of setting up Indo-Chinese joint ventures was discussed at the meeting which was organized by the Indian Chamber of Commerce.

Mr S. S. Kanoria felt that Government officials of India and China aided by businessmen, should work out annual plans for promotion of bilateral trade and specify items of import and export. He thought there was scope for India to learn from China in the field of jute technology and import machinery for jute mills. In turn, China could acquire from India technology in the field of tea industry and import machinery for textile and sugar mills. A bilateral exchange programme could be worked out for this purpose. A technical team could be sent from India to China to visit jute mills.

The Indian industrialist's apprehensions about setting up of joint ventures in a totalitarian State was voiced by Mr S. K. Birla who asked the Chinese delegation about the policy of pricing of products and how profits were to be determined in case of a joint venture. There were also questions about profit remittances policy in China about joint ventures and protection available in China for the products of a new industry.

Mr Wang Yaoting chairman of the China Council for the Promotion of International Trade, who led the delegation, said that the Chinese view was that joint ventures should be mutually beneficial and both sides should get a profit. The foreign partners were allowed to remit their share of the profit. The pricing of a product of a joint venture could be based on the situation in the international market. HE felt that the climate for joint venture in China was favourable.

He said that China was welcoming advanced technology and foreign goods as a part of its "Four Modernization Programme". It was looking for markets with which it could exchange goods. He suggested the export of cotton, tobacco and sugar to India and said China was ready to purchase iron ore and chrome ore from India. He, however, made it clear that Indian commodities would have to be competitive in price and of standard quality to sell in China.

Mr R. S. Lodha, president of the Indian Chamber of Commerce, said that a delegation of the Federation of Indian Chambers of Commerce and Industry, which visited China recently, had assessed that there was a scope for an increase in the value of trade between the two countries to \$1 billion from the present level of \$63 million. He stressed the need to diversify India's exports to China. The possible new export items included light engineering goods, light building material and chemicals. Members of the delegation met Mr Jyoti Basu at Writers' Buildings in the afternoon.

CSO: 4600/1412

1001

ANALYST ON SELECTION OF CONGRESS-I CHIEF MINISTERS

Madras THE HINDU in English 8 Mar 85 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, March 7--The Prime Minister, Mr. I. V. Gandhi, now on a three-day holiday with his family at the Kanha National Park in Madhya Pradesh, has been keeping in close touch with his confidants in Delhi settling the procedures for the election of the party leaders in the eight States where the Congress (I) has won in the latest Assembly elections.

The process of selecting the new Chief Ministers involves the absorption of some of the old ones into the Central Cabinet which is due to be expanded soon, besides offering governorships or other assignments to those that cannot be accommodated at the Centre.

The eight States where the Congress (I) has won the recent Assembly elections are Madhya Pradesh, Rajasthan, Himachal Pradesh, Maharashtra, Orissa and Gujarat, besides the Union Territory of Pondicherry. There is no clear indication yet how many of these States are going to have new Chief Ministers and which of the outgoing ones will be taken into the Central Cabinet.

The present Governors of Bihar and Uttar Pradesh, Mr. A. P. K. Misra, and Mr. C. P. N. Singh, have already completed their full five-year tenures, while the governorship of Maharashtra also is due to fall vacant soon, when Air Chief Marshal I. H. Latif, takes up his new assignment as Ambassador to France. At least two of these have been earmarked for Congress (I) Chief Ministers who may not be allowed to continue for another term.

The portfolios of Industry, Commerce and Civil Supplies, and Tourism in the Central Cabinet have been left unfilled until next Assembly elections. There are some more vacancies of Ministers of State due to be filled during the impending Cabinet expansion.

Subtle Distinction

The Prime Minister is not leaving the choice of new Chief Ministers in the eight States and Pondicherry where the Congress (I) has won entirely to the legislature parties and the AICC (I) observers who are being sent to different

States to conduct the party meetings will privately indicate the preferences before their formal election. The subtle distinction that is being drawn in Congress (I) circles is that Mr. Rajiv Gandhi will not try to impose unwanted Chief Ministers as was done in the past, but give due weightage to local preferences before deciding the choice in each case.

It appears that the necessary home work has already been done and what remains is only a formality for going through the motions of party meetings to elect the new leaders in compliance with the indicated preferences of the party President. Each Chief Minister so chosen will be required to obtain the approval of the Central leadership for the inclusion of various individuals representing different group interests in his Cabinet.

The Congress (I) leaders have taken note of the influence wielded by many party rebels who were denied nominations in their States. But the policy is to let them remain as independents, wherever they have contested and won in their personal capacity without joining any Opposition parties, and continue to support the policies of the Congress (I) Governments to qualify for their readmission into the party organisation in due course. But they will have to give up their membership of assemblies under the new anti-defection law, to enable the Congress (I) to take them into the party organisation and even allot party posts without any political embarrassment or constitutional limitations.

The many Congress (I) MPs who are aspirants for ministerial berths at the Centre have rushed back to Delhi after the Assembly elections to stake their claims. But none of them has been able to meet Mr. Rajiv Gandhi who has been avoiding them until he has finally made up his mind about the timing and the scope of the proposed Central Cabinet expansion.

CSO: 4600/1414

INDIA

PRESIDENTIAL AIDE'S TENURE EXTENSION VETOED

Bombay THE TIMES OF INDIA in English 9 Mar 85 p 1

[Text] NEW DELHI, March 8--THE President's persistence in seeking the extension of tenure of Mr. J. S. Bindra, an official in the President's secretariat, has not succeeded.

A decision has been taken at the highest level to strictly enforce the tenure rule and send back Mr. Bindra to his home state of Punjab.

It was for the third time that Mr. Bindra's case was put up before the Prime Minister last Monday and it was for the third time that the plea was rejected. From Rashtrapati Bhavan the case was made out that two former Presidents--Dr. Rajendra Prasad and Dr. S. Radhakrishnan--were allowed to have officers of their choice.

Fresh Instructions

The government's case is that Mr. Bindra has already completed his tenure of five years with Mr. Zail Singh, half of which was when the latter was the home minister. It has also been made clear that Mr. Zail Singh is free to select an officer of his choice to replace Mr. Bindra.

Notwithstanding the firm stand taken by the government, the President has taken Mr. Bindra on his current tour of Goa even though officially Mr. Bindra's tenure has ceased on February 28. It may be recalled that Mrs. Indira Gandhi had declared in 1983 that the tenure rule must be implemented firmly. Mr. Rajiv Gandhi, after he became the Prime Minister, issued fresh instructions to send back officers who had completed their tenures to their states.

The influential Mr. Bindra, who occupies a type VIII fully furnished and air-conditioned house in the Rashtrapati Bhavan complex, reportedly has been trying his best to circumvent this rule and extend his stay in the capital.

Meanwhile, the Intelligence Bureau is looking into the antecedents of yet another official who is alleged to have been mixed up with the All-India Sikh Students' Federation in his younger days. A former MP from Punjab, Mr. Nihansinghwal, wrote a confidential letter to Mrs. Indira Gandhi on October 2, 1984, cautioning that information was being "leaked out" from Rashtrapati

Bhavan by an official whose loyalty could be questioned and whereby the August residence had become "the headquarters of Akali politics."

The official in question was said to be going through all reports, including intelligence reports, and later conveying the gist to "someone outside." The ex-MP described the continuance of the officer in the President's secretariat as a "security risk."

CSO: 4600/1415

INDIA

INDIAN RESERVE BANK FURTHER TIGHTENS CREDIT

Bombay THE TIMES OF INDIA in English 9 Mar 85 pp 1, 9

[Text] BOMBAY, March 8--The Reserve Bank of India has tightened its credit policy further. From April 5, the cut-off point for 100 per cent food refinance to commercial banks is being raised from Rs. 4,300 crores to Rs. 4,600 crores.

Conveying this decision to banks, Mr. R. N. Malhotra, governor of the RBI, has stated that, considering the present outstanding level of food credit, the revised threshold for food credit refinance should not entail any resources constraint on banks in meeting the requirements of food procurement.

Mr. Malhotra has emphasised that the upward revision in the cut-off point in food credit should be clearly understood as part of the established policy that banks finance their lending primarily out of their own resources, and limit the use of refinance for covering "temporary mismatches" between sources and uses of funds.

While announcing the credit policy for the 1984-85 busy season, (November-April 1985), the cut-off point for 100 per cent food refinance was raised from Rs. 4,000 crores to Rs. 4,300 crores from November 30, 1984. Refinance against export credit was pegged at 100 per cent of the increase in export credit over the monthly average level of 1983 against the earlier level of 125 per cent of the increase in export credit over the monthly average level in 1982. The RBI thus tried to pre-empt a credit bulge by restricting further the refinance made available to the commercial banks against food and export credit.

A further rise in the cut-off point for refinance in food credit indicates the RBI's anxiety over the liquidity and credit position of commercial banks.

The rate of growth of overall liquidity (M3) in the current financial year up to the middle of February, 1985 has been slightly higher than the rate of growth in the corresponding period of 1983-84. Aggregate deposits of scheduled commercial banks in the current financial year up to February 22, 1985 have recorded a rise of Rs. 10,717 crores (17.7 per cent) against the rise of Rs. 8,905 crores (17.3 per cent) in the same period of last year. The expansion in non-food credit has been Rs. 4,817 crores (12.9 per cent) against the expansion of Rs. 3,445 crores (10.6 per cent).

IRAN

U.S. SAID TO REFRAIN FROM ATTACKING IRAN BECAUSE OF FEAR

Tehran ETTELA'AT in Persian 2 Mar 85 p 3

[Text] In a meeting of instructors and the military training council of the Guards Corps with the speaker of the Majlis, Mr Hashemi-Rafsanjani emphasized the point that reliance on faith is necessary in using weapons and said: Having the technology is power, but this power should be in the hands of the faithful.

The instructors and the military training council of the Guards Corps met with Hojjat ol-Eslam Hashemi-Rafsanjani on Thursday afternoon.

In this meeting, the speaker of the Majlis pointed out that in the Guards Corps training program, because of the severe need in the field of action and the revolution's need for speed, haste and increased work, it was necessary to have the maximum number of trained forces in the shortest period of time. He said: I believe that in its training programs, the Guards Corps has generally been significantly successful. Mr Hashemi-Rafsanjani added: The point that has become certain to us, and that we have always seen clearly, is the speed in learning of the training forces of the Guards Corps, which has always exceeded our expectations.

He added: Some might think that this is mostly talk, but in practice, this has been proven. To explain this success, the main point is that your movement begins from the point of faith. Both the training instructors of the Guards Corps and the trainees come to classes because of their belief and faith in the legitimacy of this path. Here, the deceptions in which an instructor constantly tries to preserve his superiority over the student no longer exist and the instructor does not want his student to remain a student forever, because both work to please God and improve the deficiencies. This source of faith and belief is very rich and makes those who work for God more steadfast and hard working every day.

Stating that the secret of the success of the combative forces and all the institutions of our revolution is their spirituality, faith and connection with God, Mr Hashemi said: 'Those who step in this direction cannot be defeated, because every side of God's path, no matter what occurs, is victory. When a person realizes that God is the absolute power and wants us to carry out this task, and that if He wanted to, He could do it Himself, for He has a power above all powers, to carry out a duty, there is victory, as no defeat exists.

Then, referring to the faithful morale of the Guards Corps brothers and its practical effects and results in the fronts, the speaker of the Majlis said: The heroic operation is the best example of the failure of the modern forces and advanced equipment against the forces of faith.

Then, referring to the struggle of the Muslim people of Lebanon, Mr Rafsanjani said: Lebanon, too, is now a great scene of heroic acts by the faithful combatants. A number of oppressed and poor Muslims of Lebanon forced the proud army of Israel, which had won several wars before, to flee miserably. Because they felt extremely weak in the face of the severe attacks by the Muslims, the Israelis preferred a miserable withdrawal. Even so, several times they most cruelly attacked the unprotected villages with a large number of tanks, crushing women, children and old men under them. This action raises questions for the world as to why an army fights the people of villages and unprotected human beings under the pretext that there might be a Muslim guerrilla in the village.

This is certainly a sign of the baseness of an army. In the past, the United States would station a small battleship on the coast of a country or launch troops and that country would certainly be defeated. But, in Lebanon, the United States, France and several other powerful countries were forced to escape the region like runaway dogs. The Muslims of Lebanon brought such calamity to Israel that it was no longer able to stay.

Then, stressing that reliance on faith is necessary when using weapons, Mr Hashemi-Rafsanjani said: The nature of education, science and technology, if there is no evil intention, is good. Technology is power; but this power must be in the hands of faithful people. If the number of trained people in the Guards Corps increases in our society and they become widespread, they would safeguard the security of our society.

Then, pointing out that if the enemies knew that in every city and village we have trained soldiers who are ready to defend the religion and the country, they would not be so bold as to even think of attacking us. He said: If the United States and other world powers were not afraid of our military might, they would

have attacked us many times. But they know what a graveyard would be made of them if they were to attack Iran. Now, the heroic acts of the Muslims of Lebanon are a result of the training you gave them, and they have taken steps themselves there.

Referring to the counterrevolutionaries and fugitives who are now in servitude in foreign countries and the issue of Kurdistan, the speaker of the Majlis said: These individuals who at one time claimed the occupation of Khuzestan, Kurdistan and other provinces have fallen so low that their leader engages in so-called interviews and says that the government of Iran has recently negotiated with them. They must be told: The time that you controlled most of Kurdistan, we would not consent to look at your ugly faces because of the crimes and cruelty that you had committed against the people; how could we negotiate with you now that you have nothing?

The speaker of the Majlis added: We also spoke to the oppressed Kurdish people. We even forgive those who were deceived. But the first ranks who were the agents of all this cruelty and crime must be punished and tried for their actions, the same as Saddam.

10,000

CSO: 4640/457

GOVERNMENT'S RESPONSIBILITIES TOWARD PEOPLE DISCUSSED

Tehran KEYHAN in Persian 19 Jan 85 pp 1, 26

[Text] Contemporaneans with the anniversary of the martyrdom of the indefatigable fighter, Seyyed Mojtaba Navab Safavi, and his comrades, the unifying political devotional prayer of this week in the city of blood and uprising of Qom was held as in the previous weeks in the grand mosque, the nightly prayer quarters and the Astaneh Square of this city with Ayatollah Sane'i presiding as the temporary Imam. Participating were a multitude of the people of Hezbollah--ever present on the scene--a group of the learned, scholars, theologians, a group of the members of the distinguished families of the martyrs, prisoners of war, the self-sacrificing and the missing in action, a large number of the armed forces and the security personnel, and a large group of pilgrims to the Holy Shrine of her Holiness the Ma'sumeh.

Prior to the sermons, Hojjatol-Eslam Sheykh 'Abbas Shiaazi, member of the Supreme Council on Propaganda, described segments of the lives of martyr Navab Safavi and his comrades.

Then Ayatollah Sane'i began to deliver the prayer sermons. In the first prayer sermon, while calling on the people to be virtuous and chaste, concerning obedience to the divine laws--which we hold in trust for God, he stated, "There are a variety of problems to consider in connection with the instructions which have come down to the people as laws from God as well as the laws which the prophet of God has established because of the problems of security and problems in other parts of society. During the time of the prophet of God, there developed some disputes with respect to economic aspects--including the distribution of the spoils of war among the immigrants and others to the extent that the prophet was asked about the method of distribution. This issue has been mentioned in some verses of the Koran and the remarkable point in these verses is that we realize that Muslims are given the right to talk about economic issues and to express their views and opinions, but the Koran ends the narrative by stating the following: Discussion of economic problems is permitted if it does not weaken the leadership and the government."

He added, "Be careful so that your words are not divisive lest the enemy exploits them. The religious laws of God and the tradition of the prophet of God is in our trust and also there is a series of trusts among God, the prophet and the people--with all sharing in them. If they are betrayed, all are betrayed."

He added, "Divulging the interests of the government and the regime which would harm the Islamic regime and government is betrayal in the trust toward God, the prophet and the individual. Because if the Islamic government is weakened and the people have the arena, weapons and the armed forces will not be able to do anything. As the Islamic system has been established with the religious beliefs and sentiments of the people, divulging of some of the problems which would weaken the Islamic government is betrayal."

Continuing his remarks, Ayatollah Sane'i reminded, "Today in our society, the divine limits and laws are implemented and our contemporary society is free from the majority of the cases referred to the prosecutor's offices during the Satanic era. As an example, more than 110,000 of the 120,000 cases referred to the prosecutor's office in Tehran are related to crimes which were specific to the Satanic government. No longer do we have--as in yesterdays--cases such as sale of liquor; we do not have in the Islamic Republic regime the loose morality and corruption which existed yesterday. Therefore, the Islamic Republic system is a great trust which is entrusted to us. Today the Islamic Republic government governs in our society as one of the great divine blessings and if this regime sustains a blow, Islam, the ideals of the martyrs and Muslims of the world will have sustained the blow."

He added, "We shall not, in public or private, talk in such a manner to cause the virtuous to desert the stage. If the clergy and the good leave the arena, whom shall we call upon to manage the government. Only this blood of the martyrs, your multitude at Friday prayers and the ever-present clergy have preferred this regime against which the East and the West spread poisonous propaganda every day. Today, performing executive duties is very difficult and has many complications and discomforts. Much effort has been spent on this revolution, and the people have suffered hardships and tortures and all have the right to speak. Nevertheless, the Islamic regime must not be weakened."

Continuing his words, the temporary Friday Imam of Qom said, "one who has taken billions of the wealth of this country has now come to demand it and is a creditor at the Revolutionary Prosecutor's office. The price of his factories is 15 billion Tumans--that is, the equivalent of several years of expenditures for the Ministry of Justice. This man is demanding 15 billion Tumans for his factories and demands "where has the principle of ownership gone?" They have committed such thefts. During the Satanic era, they sold 12-Rial goods for 70 Tumans, (and) now they demand where the principle of ownership has gone? Yes, the principle of private ownership is respected, but so are Muslims. The forces mobilized in the skyscraping mountain heights of Kordestan protecting the sanctuary of Islam and the martyr whose corpse remains behind in the deserts are respected also."

The country's chief prosecutor added, "The judge who acts improperly betrays God, the prophet of God and himself. An Islamic regime holds a trust, and the duty of the government is to satisfy the people who are to be accorded their rights."

At the conclusion of the first sermon, he expressed his appreciation to the Islamic prosecutors' offices and the Islamic court in Qom for their sincere efforts.

Ayatollah Sane'i, the temporary Friday Imam of Qom, devoted the second prayer sermon to the political topic of the day and talking first about the anniversary of the martyrdom of the martyr Navab Safavi and his comrades said, "on 17 January 1956, a group of chivalrous men filled with piety, learning, virtue, sincerity and courage were martyred. Those beloved people through the profound insight which they had about the future saw the present state of our Islamic government and observed that in this order all the power belongs to God, the prophet of God, the leadership and the religious authority. However, the leaders of idolatry and hypocrisy waged evil propaganda against them and tried to alter their views, but thank God they had no success. Then referring to the recent bombings of the residential areas in our country's borders by planes belonging to the Zionist Ba'th regime of Iraq, he condemned this savage deed.

Continuing, he referred to the treacherous conspiracy of the occupying regime of Jerusalem in kidnapping under the guise of philanthropy and said, "They drove out the Muslims and the Arabs from their homes, plundered and set on fire their properties, made examples of some by mutilation, and stopped at no criminal acts. Today, too, they do not stop at any criminal activity in the South of Lebanon. However, in the name of humanity but in fact as a kidnapping and with the most soiled countenance, they take a group of Ethiopian Jews to Israel. America gives Israel more than 5 billion dollars in the name of philanthropy. Philanthropists who plunder all the wealth and property of the people and at the same time talk about Arms Control. Of course the deprived and the oppressed of the world know that they lie. The East and the West-- which annually spend more than 600 billion dollars of the wealth of the deprived on weapons and armament make proclamations about Arms Control. The talk is of Control, but, on the other hand, the helpless people of Iran and their cities and neighborhoods must be subjected to waves of shells, bombs and rockets. The talk is of the support for the hungry whereas they destroy and dump in the ocean more than one billion mark [sic] worth of good stuff."

He reminded, "Fortunately, the Islamic Revolution of Iran has exposed all of their lies and it is hoped that in the near future their evil influence shall be curtailed from among the world's oppressed."

This very report indicates that at the conclusion of the Friday prayer of Qom, a large group of the participants in the prayer, protesting the time of the airing of the Friday sermons of Qom and the deletion of segments thereof by the Islamic Republic Television, prepared a petition and demanded an investigation of this issue by the responsible authorities.

12811

CSO: 4640/350

IRAN

KHAMENE'I URGES SPREAD OF ISLAM IN ALL MUSLIM NATIONS

Tehran SOBH-E AZADEGAN in Persian 10 Feb 85 p 23

[Text] Simultaneous with the celebration of the 10 blessed days of Fajr and at the dawn of the seventh spring of freedom, Hojjat ol-Eslam Seyyed 'Ali Khamene'i, the president and head of the Supreme Council of Defense, arrived in Semnan for a visit to that province and the Muslim people of this province who are always on the scene. He was welcomed at the airport by Hojjat ol-Eslam Akhtari, the representative of the imam and Friday imam of Semnan; the governor general; the Friday imams of the province; representatives of the people in the Majlis; clerics; military and law enforcement commanders; and the officials of the institutions and organizations.

Mr Khamene'i, who was accompanied by Mr Mirsalim, the top adviser to the president, responded to the warm sentiments of the welcomers, who shouted God is Great, Peace upon Mohammad, and Welcome Mr President. Then, the president departed for the Office of the Governor General to take part in a session with the officials of the institutions and organizations of the province. The committed and ever-present people of the Province of Semnan, who had assembled along the streets from the early morning hours, honored the arrival of the president by sacrificing cows and sheep, offering flowers and unprecedented displays of emotion.

Mr Seyyed 'Ali Khamene'i, the president of our country, met with the officials of the institutions and directors general of the departments of the province at the Office of the Governor General.

In this meeting, first the governor general of Semnan welcomed the president and presented a report on the political, social and economic situation of the province. Then Mr Khamene'i made a speech honoring the 10 days of Fajr and said: It is very appropriate, in exchange for the responsibility that we have vis-a-vis the people, think about ourselves, turn to ourselves and decide for the future. If anyone thinks that the revolution exists or is meaningful without the programs, precautions,

government organizations and regulations, and national laws, he is mistaken, because the revolution is not merely an idea. Whatever can be supposed in the revolution must be sought in action. The government is the executor of the revolution.

The president then referred to the responsibility of the administrative employees in the regime of the Islamic revolution of Iran and said: The Islamic revolution is unmatched among the revolutions of the world in the past few centuries. Of course, it has certain similarities with some other revolutions, but the height of the revolution is in the future, because we have planted the seeds of this revolution in rich soil. But this seed must be spread to all Islamic lands. The revolution will expand and will embrace all nations. In the course of the next few decades, we will be able to witness uprisings and combative nations as well as the greatness and glory of Islam.

Concerning the administrative makeup of the country, Hojjat ol-Eslam Khamene'i said: Our administrative organization has not changed fundamentally; but at the same time, this administrative system can be made fruitful. By choosing good, faithful people, and through training, this will be accomplished.

He added: Everywhere in the country faithful and competent people exist. The young people must be put to work, as the officials and the active forces in the country today are our young people. But this leaning towards the young must not result in setting aside the competent and useful forces who are not young. The combination of experience and dynamism is perfect. However, this combination must be of the faithful. Faith is the essential condition in selections. The expertise, maturity and competence of a person who does not believe in Islam is of no use.

In another part of his speech, the president said: One point that I would like to discuss with the administrative officials is that they should consider themselves indebted to the people. We have accepted a responsibility and we owe a divine duty to the people. There is a difference between a person who has not accepted a responsibility and one who has. A person who accepts responsibility is rewarded by God. If the officials of the country are able to carry out their responsibility well, they will be among the chosen and the pious. When the proposal for the premiership of martyr Raja'i was made, he said: I have nothing to invest except my reputation, because the premiership of Bani-Sadr was related to his reputation [as published]. He accepted and worked hard and today, martyr Raja'i is one of the most respected members of our revolutionary society.

Addressing the officials, he said: You must make the people content, because the people do their share well. In regards to

the war, one is astonished witnessing the sentiments of the mothers, wives, and fathers in various cities who have sacrificed everything for the revolution.

Then, concerning the place of the Islamic Republic in the world, Hojjat ol-Eslam Khamene'i said: Our revolution and our Islamic Republic are among the most established regimes in the world. Even obstinate governments like that of France, which tried to make us appear weak and cast doubts upon us, now, through various ways, are trying to appease the revolution. Today, they are gradually removing their support for the enemies of Islam. For instance, Bani-Sadr has moved his place of residence several times in recent months, which shows the stabilization of our regime.

In conclusion, the president said: The revolution will reach its goal. The important thing is what role we should have in bringing it to its goal.

Meeting with the Families of the Martyrs of the Province of Semnan

Yesterday morning, President Hojjat ol-Eslam Khamene'i met with the families of the martyrs of this province at the Islamic revolution hall of Semnan and made a speech.

Referring to the anniversary of the victory of the Islamic revolution of Iran, Hojjat ol-Eslam Khamene'i said: The seventh year of the victory of the Islamic revolution begins now. The evaluation of the successes may be different. Some might consider the shortcomings to be the failure of the revolution. But, one thing is true, and that is that the revolution has been more successful than anticipated.

Concerning the gains of the revolution, the president said: Our first success was that we were able to preserve the original goals and direction of the revolution. Today, the U.S. president shouts to get the support of the U.S. Congress. He has openly said that they should help the Nicaraguan counterrevolutionaries to overthrow the revolutionary regime of that country. Nicaragua is a small country; compared to Iran, it is small in terms of resources and area. Iran has always been the focus for those who have had and have their greedy eyes on the Middle East. With the tyrannical regime in Iran, the United States felt at ease about the region. It had founded what it thought was an impenetrable fortress of global oppression, and the Islamic revolution of Iran destroyed that fortress in the true sense of the word and made the United States feel threatened. Pointing out that all efforts are made by the United States and its allies to defeat our revolution, the president said: The threat of our revolution to the domineering powers of the world was that it was able to

awaken the nations, and these nations felt that it was possible to fight those powers.

In Tunis, Lebanon, Palestine and everywhere in which the United States has interests, with the awakening of the Muslims, these interests are threatened; and proportionately, their pressure on the Islamic revolution increases. The head of the Supreme Council of Defense added: Thank God, thus far, the revolution has been successful. Of course, if not for the war, we would have had double success. Today, a major part of our budget is spent on the war. Hence, the wishes of the revolution have not been fully met to date. But, how long can global oppression put a nation under pressure? How long can it impose a war on a revolution, hoping that this revolution, which relies on the great power and faith of the people of this country, will fail today or tomorrow? The large global colonialists cannot hope to some day defeat this alert nation. We have proved on the battlefields that despite the complex weapons, we have the initiative. He continued: Making use of the negligence of the officials at the time, the enemy invaded a part of our country, but by identifying the elements and instruments, the revolutionary forces began the defense. Today, we have the upper hand and we have the initiative. The Iraqi army is today in a reactionary position. Iraq receives equipment from the whole world, but retreats farther and becomes weaker every day. The secret of the victory of this revolution is that we move on the basis of the traditions of creation. The law of history is that truth, when it is backed by soldiers and supporters, must win.

In another part of his speech, concerning the influence of the Islamic revolution of Iran on the world of the oppressed, the president said: Today, with the passage of six years, the revolution is more established in the world than ever before. We support the weak countries. We support the statements of the weak societies in the world assemblies. We make no mistake about who our enemy is. We do not mistake the small and weak regimes that support the United States for the United States because they have a sense of inferiority and weakness and the United States is trying to use this power against us. We recognize our prime enemy. Hojjat ol-Eslam Khamene'i then pointed out: One of the conspiracies of the enemies is to create conflict. We must not give them an excuse to provoke conflicts. Another is spreading addiction and corruption. The revolution has so openly defeated oppression that they try to fight it secretly.

Concerning the revolutionary readiness of the Muslim people of our country, Hojjat ol-Eslam Khamene'i said: Today, we recognize the war scene as the pulse of the Islamic revolution of Iran. If the battlefield is excited and dynamic, the revolutionary condition of this nation is a healthy one. By the grace of God, the war informs us that the Islamic revolution is healthy and

dynamic. Whenever we need them, the young people are ready to attack. Today, we have equipment that our own young people have prepared. We will be able to turn the war in our own favor. In conclusion, the president said: We must not lose unity and hope for the revolution. Preserve the unity of word and the obligation to duty and be hopeful for the future. Rest assured that victory is ours.

Arrival of President in Shahrud

Continuing his visit to the Province of Semnan, Mr Khamene'i, the president and head of the Supreme Council of Defense, left for Shahrud at about 1400 hours yesterday afternoon.

Before leaving Semnan, Mr Khamene'i met and spoke with the clerics.

Mr Khamene'i said: For a thousand years, the Islamic clerics shouted to allow Islam to enter the scene in order to show how it can train people. The supporters of tyrants would not allow it. When the Islamic revolution of Iran was established, based on Islam and the Koran, after 1,300 years, all the enemies of Islam and the clergy rose to fight the Islamic Republic of Iran. They attacked with the policies of the conspirators and complex weapons to stop Islam. They wanted to disappoint the nation and prevent the Islamic revolution and movement in the Islamic countries. They did so from the first days of the revolution. This struggle is a life and death struggle for Islam. The leader of the revolution and the people stood against such conspiracies and did not allow Islam and the Koran to be humiliated. The pioneers of this resistance were the martyrs, your children. They are gone, but as a result of their efforts, the Islamic Republic remains. The greatest glory belongs to the families of the martyrs. Our nation will continue its resistance. Everyone wishes to die on the path of God; death will finally come. Deep in my heart, I myself am afraid today, but not of martyrdom. Everyone wants to accept this death on the path of God and on the battlefield as a duty.

Then, concerning the lofty status of the martyrs, Hojjat ol-Eslam Khamene'i said: There are families who have given four, five, even seven martyrs. As long as we have such young people and such martyrdom-seeking spirit, we will be victorious on all battlefields. The fate of the war will not be determined by complex weapons. Our enemies have given Saddam the most complex of weapons, but they were of no use. Then, concerning Saddam's claim regarding striking ships in the Persian Gulf, he said: Such claims are most often false. Then, referring to the statements of the researchers on strategic issues, who said Iranians have been able to neutralize the most modern long-range missiles, he said: We have been able to render useless the

modern weapons which were given to Saddam. The determining factor today is faith.

He added: I bring the greetings of the beloved and revered imam to each one of you. The imam thinks about you. He prays for your beloved ascended martyrs. Your reward will be given by the Creator and in this world, you are among the proudest of people.

Visit with the Members of the Islamic Republican Party

The president and secretary general of the Islamic Republican Party also attended a gathering of the members of the Islamic Republican Party yesterday morning and gave a speech.

In this meeting, Hojjat ol-Eslam Khamene'i said: We consider the Party a large classroom. If for others a party is a means to obtain votes, positions or fame, for the founders of the Islamic Republican Party, it was and is, in fact, a means of education in religious and political areas--in other words, precisely what was done before the revolution, only on an individual basis. Before the victory of the Islamic revolution, each one of us was engaged in education in one corner of the country. The Party had the duty to unite and tie together all these efforts. The revolution will survive as it was created. The revolution was created when the people became aware of the world situation and their religious duties. It took 15 years to make the people understand the religious ruling, and the day they understood that making fists and shouting slogans is a part of religion, the grounds for the victory of the revolution were prepared.

The president then said: A person who inculcates deep Islamic and revolutionary thought in the minds of the people is a pious human being. The Party was created to unite these efforts which were carried out on an individual basis by pious persons. Therefore, such organizations are vital to the revolution. Those who do not like the influence of Islamic thought do not like this party. Our duty is to avoid behavior which might cause persons to oppose the Islamic Republican Party or the principle of having a party. We recommend that the brothers and sisters in the Party give priority to all their social work. The Party must not be a means to gain superiority, but must be a means to serve. Today, being a Party member is necessary.

The secretary general of the Islamic Republican Party said in conclusion: The Party must not take sides in a conflict, but all efforts must be towards eliminating conflicts.

Statements of the President in a Gathering of the People of Semnan

Hojjat ol-Eslam Seyyed 'Ali Khamene'i, the president, attended a large, magnificent gathering of thousands of the martyr-nurturing and faithful people of Semnan in Imam Khomeyni Mosque and, recounting the gains of the revolution, emphasized the necessity for the unity of the people.

In this gathering of the people of Semnan who are always present on the scene, the president first referred to the happy coincidence of this visit with the 10 days of Fajr and said: Seeing you and your sentiments energizes us. The Iranian nation, with such great self-sacrifice and generosity, has put its officials under obligation. With support such as yours and the help that you have provided, there should be no excuses. On the other hand, if it were not for the efforts and activities of the officials of various sectors in the military, law enforcement, governmental and propaganda organizations, the pressures of the superpowers to eradicate this revolution would become clear.

10,000

CSO: 4640/465

IRAN

'WEAK POINTS' OF UN REPORT DISCUSSED BY PERMANENT DELEGATE

Tehran ETTELA'AT in Persian 26 Feb 85 p 3

[Text] Washington, IRNA. The UN representative of the Islamic Republic of Iran announced yesterday (Monday): Although the report of the UN delegation on the conditions of the Iran and Iraq prisoners reveals some of the facts, in minimizing or failing to mention the positive points about Iran and the negative points concerning Iraq, it attempts to be moderate and neutral, which is the style of all international establishments not wishing to be accused of being biased.

In an interview with the IRNA correspondent in Washington concerning the recent report of the UN delegation to Iran and Iraq, Dr Sa'id Raja'i-Khorasani expressed his pleasure at the mention of the Red Cross incident at the Gorgan camp in this report and said: Contrary to our expectations, this issue has been dealt with implicitly and very lightly.

This report tries to acquit the Red Cross and to maintain a neutral and moderate reaction to everyone.

But, the members of the delegation said briefly in this report: Among the Iraqi prisoners, it was also rumored that the Red Cross intended to collect information concerning the faithful prisoners who opposed Saddam's regime.

Raja'i emphasized: Stating that "Even the Iraqi prisoners held such an opinion" and "It was rumored that the Red Cross intended to do so" indicates that the delegation had dealt with the incident in such a way as not to place the blame completely on the officials of the Islamic Republic of Iran and the prisoners while stating that such a rumor concerning the Red Cross existed among the prisoners.

Continuing this interview, referring to the point that in this report the scale is tipped towards Iraq, Mr Raja'i said: The delegation has tried, with some kind of so-called neutrality and

by quoting others, to report on the crimes of Iraq to some extent.

It has tried especially to state implicitly the type of crimes that Iraq commits, for example, how they punish and torture. And at the end of the report, the term used about Iraq is "merciless."

Therefore, it is obvious that they were trying to show the facts. They have, for the most part, condemned Iraq in the course of the report.

For instance, [concerning Iran] they say: The number of showers are too few or the books in the prisoners' library are mostly Islamic books. But, such things are quite different from what has been said about Iraq.

Objections and Weak Points of the Report

Raja'i then described the problems and weak points of the report and said: Considering that I myself accompanied the delegation to Iran and witnessed the facts, in my opinion, the delegation has seemingly tried not to speak of our positive points in the camps, while at the same time, in order to remain neutral, it has tried to react to the crimes of the Baghdad regime very moderately.

He added: Obviously, the crimes that have taken place and are taking place in Iraq are more than what they reported. I know what they (the members of the delegation) saw in Iraq; but they think we do not know.

Raja'i-Khorasani pointed out: I am sure that they could write much more about the problems.

He added: They made our good points as well as the crimes of Iraq seem insignificant, so as to, as they say, observe moderation, which is the general style of international establishments, and to pretend that they are neutral and have not been emotional or hasty in their judgment, so no one could accuse them of taking sides.

For this purpose, they have avoided mentioning our very positive and good points and the very negative points of Iraq.

Continuing this interview, Mr Raja'i-Khorasani pointed out that the UN delegation has committed certain errors in regards to the Islamic Republic of Iran and added: The delegation heard certain statements from the Ba'thist prisoners against us. In order to verify the statements of the Ba'thists, they could have compared

the same statements with what the "faithful" prisoners said and then drawn conclusions, but they did not do so.

Mr Raja'i-Khorasani added: Another problem is that, in certain cases, the delegation has lost its objectivity completely and has engaged in personal judgments and evaluation. They have said that we impose ideas on the prisoners, which is actually passing judgment and is not a fact.

He added: This delegation should have reported on their observations of, for example, what slogans or songs the prisoners sang or how they behaved and then left the judgment as to whether such actions were the result of what they claim, that is, inculcation and brainwashing, to the readers of the report.

The representative of the Islamic Republic of Iran to the United Nations pointed out that in two cases the delegation has deviated in the report, regarding the Islamic Republic of Iran forcing the prisoners to oppose the government of Iraq, the relationship of the prisoners with that government and their positions regarding the war. They expect the Iraqi prisoners to show the same sense of loyalty and commitment that the Iranian prisoners show towards their government. This is a very flawed perception.

Then, pointing out that the members of the UN delegation ignored much of the beauty which exists in our camps, such as the pleasant greenery of the Gorgan camp, he added: They made no mention at all, for example, of how many ping-pong tables there were, how many classrooms there were, what courses were taught, who the teachers were, how many groups have graduated so far, or what their art room was like. They went and played ping-pong and volleyball with the prisoners themselves. They talked to them, laughed, and witnessed the warm and friendly environment of the camp; but they made no report of these at all.

The Condition of Iranian Prisoners

Referring to the condition of the self-sacrificing Iranian prisoners in Iraq, Raja'i said: When the delegation writes that there (in the dormitory of the Iraqi camps) is a tin can in which the prisoners must urinate, the fact is that our young people there do not have a toilet and must void themselves in their dormitories. The delegation should have mentioned this issue in much more detail.

The delegation has seen these things, but has not reported on any of them.

Raja'i stressed: Another important issue is that we made essentially no pretenses. We showed our camps as they were to the delegation, but Iraq made a great deal of commotion over the

visit of the UN delegation. However, once the delegation left, everything returned to what it was before.

Conclusions

Raja'i concluded: Despite the objections and complaints I have made of the report, I believe that the delegation was in a difficult position, because the Red Cross had complained (about Iran), and on the other hand, we had complained about the Red Cross, and Iraq had also complained about us. They implicitly exposed Iraq and told the Red Cross that they are not as justified as they claim to be. Therefore, we are not totally dissatisfied with the report and we thank the delegation, even though by putting aside such considerations and being concerned about being accused of taking sides, they could have reported all the issues as they were and would have, thereby, present a much better report. He added: While many of the statements in the report are very clear, the UN secretary general has tried to avoid any comment on the content of the report.

In another part of this interview, Raja'i-Khorasani, referring to the partial and groundless report of the Red Cross in connection with the Gorgan camp, which was published a few months ago, and emphasizing that the Red Cross owes us an apology, said: In its last report, which was published at the United Nations, the Red Cross asked all the countries in the world to come to the aid of the Iraqi prisoners in Iran and claimed that the lives of 50,000 Iraqi prisoners in Iran are in danger. It engaged in a shameful disgrace in the United Nations.

He added: Here, we have two issues. Firstly, they claim that their activities must not be allowed to be used politically, because they will become weakened. If this is true, then why do they engage so disrespectfully in such actions in regards to Iran?

Secondly, if such a noise can be made, why did they not make it against Iraq, which has committed so many crimes?

In conclusion, Mr Raja'i-Khorasani stressed: Therefore, we really do have a complaint about the Red Cross and believe that they should apologize.

In response to a question concerning the next step, he said: From our standpoint, the next step is an exchange of some of the prisoners. From the standpoint of the United Nations, the next step depends on the Security Council, as to what it wants to do with the report.

It should be pointed out that Raja'i-Khorasani participated in a press conference at the United Nations and, presenting a press communique, responded to the questions of reporters about the UN delegation report and the position of the Islamic Republic of Iran regarding it.

IRAN

UN REPORT ON POWS SAID TO HAVE BEEN 'DISTORTED AGAIN'

Tehran ETTELA'AT in Persian 3 Mar 85 p 2

[Text] The information center of the United Nations, in publishing a text on the results of the report concerning the POWs in Iran and Iraq, has once again modified and distorted in the interest of Iraq an 80-page report by the UN secretary's delegation concerning Iran and Iraq.

The UN information office in Tehran, which has recently put a copy of this text at the disposal of the foreign embassies in Tehran, and IRNA claim the one-page published text is a summary of the conclusions reached unanimously by the members of the UN secretary's delegation to the POW camps in Iran and Iraq.

In this text, no mention is made of the imposition of violence and torture against the Iranian prisoners of war in Iraq by the Iraqi jailors, even though this important issue has been explicitly revealed in the 80-page report.

At the same time, the new, modified text, which is dated Sunday (24 February), makes no reference to the request of the UN secretary general concerning the torture and harm done to the Iranian prisoners.

Instead, this text mentions the claim of the imposition of ideological pressure on the Iraqi prisoners by Iran as one of the important conclusions of the UN secretary's delegation. In the 80-page report of the above-mentioned delegation, which, according to a diplomatic source in Tehran, was modified in the interest of Iraq once before publication, an attempt has been made to take a moderate position vis-a-vis Iran and Iraq. Even the physical torture of Iranian prisoners in Iraq has been given equal weight with the so-called ideological pressure by Iran, which is a reference to religious instructions. However, the text published by the UN information office, which has been unexpectedly republished with modifications and distortions, follows a conservatively moderate line and takes a completely

biased position in the interest of the aggressive and belligerent regime of Iraq.

With the publication of this new distorted text, informed sources in Tehran believe that the United Nations and its information office, after publishing the previously modified report, have once again, under pressure by the United States, the Red Cross, and Arab reactionaries, been forced to explicitly support Iraq, and in doing so, have violated their neutrality.

The text published by the UN information center, dated 24 February, follows.

The Conclusions of the Report on War Prisoners in Iran and Iraq
Eighty-two pages. Document No S-16962, dated 19 February 1985

The members of the delegation of the UN secretary general unanimously reached the following conclusions:

1. In neither country are the prisoners of war mistreated, as claimed by the other government. On the other hand, in neither of the two countries are the war prisoners treated as well as the government holding the prisoners claims.

On the whole, the existing conditions (for the prisoners) in both countries are cause for concern.

2. Long, indefinite imprisonment is the greatest cause of suffering for the prisoners of war.

3. The problems facing the prisoners of war are often similar or equal in both countries, and include, for example, harsh living conditions and resorting to force by the prison camp guards (in the course of) their imprisonment. The incident in Gorgan is neither a singular nor the most serious one. In Iran, the ideological and religious pressures on prisoners and the creation of opposing groups in the prison camps resulting from such pressure, cause an increase in disturbances and an atmosphere of fear.

4. The duration of imprisonment and lack of intellectual and physical activity is common in both countries and causes many cases of psychological suffering.

5. We are not in a position to decide concerning the claims regarding missing persons or the massacres of prisoners of war.

Tehran, 24 February 1985

IRAN

WEALTHY INDIVIDUALS MUST PAY TAXES

Tehran KEYHAN in Persian 26 Jan 85 pp 1, 19

[Text] At this week's politico-devotional and enemy-demoralizing Friday sermon of the city of blood and uprising, Ayatollah Janati--the temporary Friday Imam of Qom--continued the discussion of the previous weeks about the role of action in the testing of human beings and said, "The issue is not so simple as for Muslims to assume that by arranging Koran-reading sessions and international Koran-recital contests action can be relinquished--and this has thus far been the roots of lack of progress of Muslims. Today in our country, everyone--in particular the forward guard--that is, the clergy, the army, the security forces, and the people of Hezbollah must realize that the world is standing in confrontation to them; and from one day to the next the pressure is becoming greater. If this patience, devotion and the faith in the hidden world does not come to our aid, the enemy shall destroy us forever.

In the second prayer sermon, Ayatollah Janati referred to the elimination of the pious manpower from the government offices, from factories and other centers and added, "There has begun a quiet and well-directioned move to eliminate from most offices and organizations the dedicated and the faithful to the Islamic Revolution. This is the danger which we must firmly oppose; of course, all of those in charge are cognizant of that and worried about it."

He added, "If they are to be isolated and eliminated from the center stage and the individuals--who think they have talent and expertise--are able to manage the country now that the regime is stabilized, this is a futile assumption and this opinion is in most cases traitorous."

He added, "Valuing expertise does not mean that the individuals who are adamant believers of religion are to be shoved aside, and some who are not pleased with the revolution take over the positions and gradually bring on other individuals like themselves."

Continuing his remarks and referring to the strengthening of the government, Ayatollah Janati said, "Taxes must be levied against those who amass their wealth with the blood of the people."

The speaker preceding the Friday Sermons of Qom was Hojjatol-Eslam Mahfuzi, a member of the Teachers' Society in the Tehological Center of Qom and Ayatollah Montazeri's representative at Tehran University.

IRAN

MUSAVI-ARDABILI: PROFESSORS MUST BE PROVIDED HOUSING

Tehran KEYHAN in Persian 21 Jan 85 p 22

[Text] In a meeting with a group of university presidents Ayatollah Musavi-Ardabili, the head of the country's supreme court and a member of the supreme council on cultural revolution, stated, "construction of housing for professors and creation of government housing are among the steps which must be taken in order to remedy the problems of housing for the university faculty and to attract dedicated professors."

During this meeting which took place yesterday afternoon, the university presidents reported on the academic and scientific status of the universities, the existing problems in the administrative affairs, as well as the problems of general welfare of the professors and the students.

Then while providing the necessary guidance with respect to the issues raised, Ayatollah Musavi-Ardabili said, "our system differs completely from the previous system in its values and goals, but our executive apparatuses are the former ones and these instruments were created to implement previous job requirements."

He added, "I believe that we must today make fundamental changes in these institutions both with respect to the personnel and with respect to the laws and regulations governing government departments and also from the point of view of the organizational structure in order to eliminate the problems."

He added, "Some of your problems are within the authority of the Supreme Council on Cultural Revolution, but some of the other aforementioned problems are not only university problems; rather, they are problems of all of the government organizations."

The Head of the country's Supreme Court added that "you arrange your problems and difficulties and submit them in order to your priorities; and if you also include solutions with the indicated problems; it will be better."

He added, "It is regrettable that as of yet none of the problems of the universities have been solved, but relative resolution of some of them is possible. I hope that with the grace of God this obstacle shall be eliminated from the affairs of the country as soon as possible."

Continuing his remarks, he added, "The construction of housing for the professors and the creation of government subsidized housing is one of the means taken to remedy the problem of housing for the university faculty and to attract dedicated professors.

In conclusion, Ayatollah Musavi-Ardabili demanded that the academic standards of universities be raised.

1284

CSO: 4640/350

IRAN

CULTURAL ATTACHES URGED TO EXPORT ISLAMIC REVOLUTION

Tehran ETTELA'AT in Persian 3 Mar 85 p 3

[Text] The cultural attaches of the Islamic Republic abroad, along with Hojjat ol-Eslam Khatami, the minister of Islamic guidance, met with President Hojjat ol-Eslam Khamene'i yesterday morning.

In this meeting, first, Hojjat ol-Eslam Khatami presented a brief report on the second seminar of the cultural attaches.

Then the president expressed his pleasure in this visit and said: You brothers today carry with you a year of experience and fruitful, instructive and progressive work. Today, in the course of one day, our young people can be the source of blessing, blossoming and growth, as much as a hundred days in the tyrannical and stagnant environment of the past, because the appropriate country and climate exists for such growth. I hope that you will make the best use of this experience towards the cultural goals of the Islamic Republic.

Continuing his statements, the president explained the various dimensions of cultural activity abroad and added: Cultural activity abroad is not only the propagation of a special issue but is a combination of various activities, which, despite their large number and variety, must together make up a coherent whole in one direction. Your activities must not suffer from incongruity and disunity. We have sometimes faced this problem in other areas. However, we must know that in our young Islamic Republic such incongruity is not in the interest of the revolution and must be avoided.

He added: The second point concerning cultural activities is that all of your activities must have a direction, which is that of the Islamic revolution. Every effort that you make must be in preparation for the export of the Islamic revolution, that is, towards reflecting the existing regime of the Islamic Republic. This is a goal, the materialization of which our enemies are trying to prevent. You must try to make the nature of the

V

Islamic revolution understood abroad. If this understanding is not created abroad, you will not achieve the goal.

Emphasizing the necessity to expose reactionary and imposed movements which are spread in the world in the name of Islam, Mr Khamene'i added: Today, a prejudgment exists in the world concerning your message of Islam.

On the one hand, the Islam that is presented to the people by certain governments who spend large amounts of money is something new in Islam, which is by no means sensitive to the large tyrannical powers and debauchery. This is the Islam that most countries under the banner of Islam propagate and is of no consequence. On the other hand, in the world today, there is an inculcated intellectual movement in the name of Islam which sometimes joins the reactionary movements. You must distinguish between these two and the rare and authentic Islam on the basis of which the Islamic revolution was made. One of the things that can help you in this area is the Constitution of the Islamic Republic, which is among the texts that are considered Islamic documents and standards. In regards to intellectual and ideological issues, as well, the ideas of martyr Motahhari, which are the soundest, purest and best of ideas, can be useful.

Continuing his statements, the president emphasized: Try to clarify your Islamic direction and explain the regime of the Islamic Republic, whose characteristics are mentioned in the primary principles of the Constitution, a regime which is based on the rule of God and considers the presence of the people as one of its principles.

In conclusion, the president said: Of course, the methods of cultural work are very important and you must not neglect their delicacies. You must enrich yourselves both culturally and intellectually, avoid haste and uncalculated behavior, place importance on the teaching of the Persian language, and know that the propagation of the Persian language is one of the most vital tasks abroad, because the Persian language is now the language of the Islamic revolution, and in this way, other nations will become familiar with the culture of our nation.

10,000

CSO: 4640/460

IRAN

EXPANSION OF COMMERCIAL RELATIONS WITH PRC CITED

Tehran ETTELA'AT in Persian 4 Mar 85 p 4

[Text] China will purchase up to \$8 million in buses and vans.

Iranian imports from Third World countries have reached 20 percent of total imports.

The Chinese economic delegation also met and talked with the agriculture minister of our country.

Economic service. Iranian trade between Iran and China will reach the figure of \$400 million.

This statement was made by Mr Zhang Jingfu, a member of the State Council of the People's Republic of China, in a meeting with the minister of commerce of the Islamic Republic of Iran.

In this meeting, Mr Zhang, who is visiting Iran at the head of an economic and trade delegation, said concerning the results of his visit to Iran: The results of the negotiations of the Chinese delegation with the Iranian officials on industrial trade, agricultural technology and fisheries were held in a very friendly atmosphere and were very fruitful.

He added: The common goal of Iran and China is to try, on the basis of the understanding established between the two sides, to expand their cooperation in trade and technology.

Mr Zhang also said: Both sides want the expansion of commercial relations between the two countries, up to \$400 million annually. In order to raise the level of trade, the first issue is to increase China's purchases from Iran, which include non-petroleum goods.

He added: We are prepared to purchase ores, cast iron, pistachio nuts, and \$8 million worth of buses and vans from Iran in 1980.

Then, Mr Ja'fari, the minister of commerce of our country, referred to the history of trade relations between Iran and China and said:

Before the victory of the magnificent Islamic revolution of Iran, our imports from Third World countries were 8.5 percent of our total imports. But now, this figure has increased to 20 percent and countries such as Nicaragua and Uruguay are our trade partners. This policy, which is within the framework of the general policy of the Islamic Republic of Iran, will also be used in regards to China.

Brother 'Abedi-Ja'fari added: As a general policy, the emphasis of the Islamic Republic of Iran since the revolution has been mostly on mediate and investment goods as well as industrial raw materials, and we wish to maintain this policy with all countries.

In conclusion, the minister of commerce of our country, pointing out the expression of interest by the Chinese delegation in purchasing non-petroleum products, added: We are prepared to offer our non-petroleum products for sale to your country and in addition to the list which has been prepared, you may add items that you can purchase from us and sell in your country to tourists.

Meeting with Minister of Agriculture

In a telephone conversation with our reporter, the public relations office of the Ministry of Agriculture also announced: Yesterday morning, the deputy prime minister of the People's Republic of China and his accompanying delegation met and spoke with Dr 'Abbas'ali Zali, the minister of agriculture, and brother Mirmohammadi, the deputy of this ministry, at the Ministry of Agriculture. In this meeting, the minister of agriculture explained the agricultural situation of our country and said: Fortunately, relations between the Islamic Republic of Iran and the People's Republic of China have strengthened since the victory of the Islamic revolution and are expanding. In this connection, since both countries are Third World countries, the strengthening of relations can benefit both countries and the Third World countries.

He said: Considering the slogan of independence in the Islamic revolution, we must make use of our internal resources, and our government and people give priority to agriculture.

The minister of agriculture added: Both countries can cooperate in various agricultural areas, including fisheries, forestry, animal husbandry, research and the exchange of experts.

Then the deputy prime minister of China said: The main goal of our visit to your country is to find new ways to increase economic, agricultural, cultural and scientific cooperation.

In the conclusion of this meeting, the deputy prime minister of China said: Considering the similar conditions between the two countries, we are able to cooperate in all agricultural areas.

10,000

CSO: 4640/458

PAKISTAN

GOVERNMENT URGED TO PUBLISH HUMOODUR RAHMAN COMMISSION REPORT

Lahore NAWA-I-WAQT in Urdu 15 Feb 85 p 5

[Editorial: "Something About the Law of Official Secrets"]

[Text] A former federal minister, retired Maj Gen Rao Farman Ali Khan, says that the report by the Humoodur Rahman commission concerning the fall of East Pakistan should be published. If this is impossible, then at least that portion of the report concerning him should be published. He said this in Okarah (in one of who's wards he is contesting election to the National Assembly) during an interview with IWAN-I-WAQT, when his attention was directed to the demand of an opposing candidate that the Humoodur Rahman commission's report should be published.

This is not a new demand but one that has persisted for the last 10 to 12 years. However, this report was neither published by the former government, which actually established the commission, nor is the present administration prepared to do so. The reason generally given for keeping this report secret is that its publication could reveal such state secrets that could harm national interests and to the nation's integrity. Nevertheless, the result of keeping this report secret has been that since the establishment of Pakistan, due to the unavailability of authentic information regarding the severe, the greatest, tragedy that befell the nation in the form of the fall of East Pakistan, the entire emphasis on this issue has consisted solely of suppositions and suspicions. With the passage of time, this situation has continued to fester.

The likelihood is that even Mr Rao Farman's demand for publication of that portion of the Humoodur Rahman commission's report that concerns him will also be suppressed by the commotion of the election controversy. But the echo of this demand, that "this report should be published," will continue to be heard afterward as well. Because it is connected with something that, in the national viewpoint, is extremely vital, it will always be referred to in connection with national affairs. However, if the authentic information is not available, mostly the sequence of accusations, suspicions and speculations only will continue.

In this regard, the recent decision by a British court seems worth mentioning here. A case was filed against a government officer, Clive Ponting, accusing him of passing on official secrets about the destruction of an Argentine plane

during the Falkland Islands war to an opposition MP. The government declared this an act of disclosing official secrets, but the court acquitted the officer of this charge. In Britain, this verdict is described as being synonymous with the defeat of the Thatcher government. With this verdict, two basic points have come to the fore. One is that there is a difference between the government and the state, and something that is declared a matter of national interest by the government of the time is not necessarily something in the interest of the state as well. Second, the government is accountable to the people for its policies and actions, and when, with regard to its actions, it relies on the protection of the Official Secrets Act, this adversely affects the public's right to seek valid information.

To eliminate the contradiction that arises between the protection of official secrets and the people's right to know, Britain has adopted a procedure whereby, after 30 years, secret documents are published. The principle followed in the United States is that, with the exception of extremely secret and delicate matters, details concerning all other official affairs can be obtained. If the Congress deems it necessary, it can demand the details of top secret matters as well. On certain occasions, action on the basis of this principle creates considerable problems for the American Government. But because it is answerable to the people, the government has no choice but to swallow its bitterness. The outcome has been that the administration has to act very cautiously in exercising its powers and performing its duties, and any improper action or any measure that violates the rules and regulations is witnessed by the people, to whom the government is accountable.

If we compare the situation in Britain and the United States with that in our country, we find that our situation is limited not only to keeping the Humoodur Rahman commission's report a secret, but this course appears to be very old and broadly applicable. The first issue, in this regard, is the case of the Rawalpindi conspiracy, in which, besides several high-ranking military officers, many citizens, too, were found to be involved and were also sentenced by a special court. After a few years, however, Maj Gen Nazir, who was sentenced for this plot, was appointed administrator of the Lahore Corporation during Ayub Khan's martial law rule. Janjua of the Air Force moved to PIA. Honorable Faiz Ahmad Faiz was appointed an official scholarship holder in the Pakistan Art Council. Mr Arbab Niaz is our current minister of culture. The question arises, therefore, as to whether there really was a conspiracy or not. Under what strategy or national interest it was later considered essential to appoint the personalities who were sentenced on the bases of being involved in this plot to major posts? All this happened during military rule. The very same situation took place with regard to the "Agartalla conspiracy" as well; besides many army officers and soldiers, leaders like Shaykh Mujibur Rahman were also found to be involved. Arrangements for high-level judicial investigations were also made. But then, in response to political pressure and policies, this probe was stopped. The ringleader of the plot, Shaykh Mujibur Rahman, was declared free of all charges and was invited to participate in the March 1969 round-table conference as a national political leader. It was simply to unveil the implications of the result of submitting to pressure that the Humoodur Rahman commission was established. Yet the publication of its report is declared to be contrary to the national interest. Since the truth is

unavailable, the people are totally ignorant of what the Agartalla plot was and who was really responsible for the outcome of December 1971, which took the form of the fall of East Pakistan. What were the shortcomings that smoothed the path for this tragedy, and what safety measures are now taken to avoid their repetition? According to the general feeling and impression, the basic role for this tragedy was played by Shaykh Mujibur Rahman, Gen Yahya Khan and Mr Bhutto, and they alone were responsible for bringing about a logical result of the Indian conspiracy and aggression. All three of these characters have departed from this world, but the tragedy, whose foundation they laid, has become an unforgettable and inexcusable chapter of our national history. The law to prevent official secrets from being disclosed prevents the true facts from coming to light. If, like England and the United States, in our country, too, for the rulers the principle of being answerable to the people is accepted and if not immediately, after an elapse of some time at least, an arrangement is made to bring into the public view the truth and the facts regarding vital issues and serious tragedies like the Rawalpindi conspiracy, the Agartalla plot and the fall of East Pakistan, then, after being acquainted with the real causes of the old tragedies, the circumstances that make it possible to "move cautiously in the future" need not be described here. Otherwise, the sequence of suspicions and speculation will continue. The national criminals will remain safe, and the people will know nothing about who harms the real interests of the country and who they can hold responsible for their bloodshed.

9779

CSO: 4656/91

PAKISTAN

PITFALLS IN ELECTIONS ON NONPARTY BASES DEPICTED

Lahore NAWA-I-WAQT in Urdu 20 Feb 85 p 3

[Article by Chaudry Mohammad Akran, advocate and member of the Advisory Council:
"Aftermath of the Elections"]

[Text] As the day of the elections approaches, election activities, too, are gaining strength day by day, and they are speedily moving toward their apex. Those who never allowed the poor, the meek and the needy to be near them are now posing as their advocates, consolers and old servants. The doors of their safes are wide open and wealth is being wasted like running water. Legal or illegal tactics are being tested to defeat one's enemies, as if the elections also are a form of war and everything is legal in love and war. The code of conduct issued by the election commission has become a mere decor, and it is being totally ignored.

A glance at the list of candidates alone demonstrates the reality that the predominant majority consists of the new generation of those very monopolist families who, both prior to the existence of Pakistan and afterwards, have been sitting, under some kind of label, in the seat of power. They follow only one principle, and that is to have connections with every government and thus share the power. If, however, an administration leaves, turn away from it as if no relations with it ever existed. These people are always in the forefront to flatter those individuals who are expected to be in power. If their political role is such that their standard of ability is simply to gain wealth and form a group, and their aim is to have an advisory council for the enforcement of Islam, what can you expect from such men? The majority of them are unaware of the rudiments of Islamic law. To expect, therefore, that "they will prove helpful in continuing the process of enforcing the Islamic system is synonymous with mere optimism."

It makes one tremble with fear when one pictures the scene after the elections of 25 and 28 February. Since every member will be elected as an independent, he will not be bound by any rules or regulations. His thinking will not be on a national basis but will be restricted to the election ward. There will be no mutual stands taken on any issue, and everyone will try to promote his own interest.

When the stage of nominating the prime minister and the chief ministers comes, and it will be essential for the nominated personalities to gain the confidence

of the parliament, at that point the protection of group interests and regional provincial prejudices will be obvious to all. Bargaining will be prevalent. Everyone will take advantage of the golden opportunity to surpass the other in getting a higher price. During this era of turmoil, the real objective--that is, the enforcement of Islam--will move into the background, and in this way, all the hard work will be wasted. The rulers will return to the point where they started. This will make the enemies of Islam overjoyed.

The primary proof that the MRD lost its appeal for a boycott is the number of candidates, which is in no way enviable. It is estimated that 50 or 60 percent of the voters will make use of their right to vote. Thus, any candidate who obtains 25 to 30 percent of the votes will certainly be successful. This clearly shows that the representatives in parliament will not be able to claim that they represent the majority. The minority viewpoint will be imposed on the majority. This in itself is contrary to democracy.

Following the announcement of the amnesty, most leaders of the defunct People's Party will participate in the elections. Apparently, they are the traitors of their party, but inwardly their party alone will remain the center of their loyalties. The result will be that the party whose politics are negative and revengeful, with simultaneous negative politics operating both inside and outside the parliament, could create problems for the president. In this regard, they will also enjoy the support of their foreign masters. After revelation of the spy scandal in India, it is no longer a secret as to what the intention and program of our eternal and perpetual enemies are concerning us. We have to fight a war for our survival, not with the support of others but by having trust in the existence of God and with our own might.

9779

CSO: 4656/91

PAKISTAN

NWFP GOVERNOR COMMENTS ON TRIBAL, GOVERNMENT DISPUTE

GF071116 Islamabad THE MUSLIM in English 1 Apr 85 p 1

[Report by Murtaza Malik]

[Excerpts] Peshawar, 21 Mar (Northwest Frontier Province)--Governor Fazle Laq has said that the dispute between the government and certain tribals of Kyber Agency had not been resolved as yet and negotiations were still in progress "but a settlement can only be according to our terms."

In an informal chat with newsmen after the annual passing out parade of the Frontier Constabulary at Shabqadr about 30 kilometers from here this morning, he reiterated that no mercy could be shown to heroin manufacturers and traders, kidnappers, car-lifters and other criminals nor to those harboring the criminals. The government was very firm on this and the current negotiations with the tribes men in Khyber required that the people involved should surrender. Meanwhile, the twelve persons who had been taken away by the tribesmen had been released.

The general replied in the affirmative when asked if the Kabul government had also tried to exploit the situation in Khyber.

Replying to another question, the governor said he was in no hurry to release the remaining political detenus [detainees], including three students whose cases in fact were not political. "For the time being I have no intention to release them".

Asked about Cabinet-making Governor Haq said that in the first instance five or six ministers would be taken in the provincial cabinet.

CSO: 4600/371

PAKISTAN

ISRAELI THREAT TO SOUTH ASIA VIEWED

GF051400 Rawalpindi THE PAKISTAN TIMES in English 1 Apr 85 p 6

[Article by N.H. Hashemy: "Four Minutes to Islamabad"]

[Text] After the cease-fire in the September war (1965) an Indian sepoy tauntingly asked a Pakistani soldier confronting him on Wagha front if Lahore was only fourteen miles from his position. "Yes", the Pakistani soldier replied. "It is fourteen miles for us. For you it is fourteen hundred miles away."

A Jewish American leader, Amos Perimutter, of American University, "muttered" in the same vein the other day, in Washington when he warned that "a Begin might think that Islamabad was only four minutes away."

He was giving his assessment on "the strategic consequences of nuclear proliferation in South Asia for Israel", at a seminar held to mark the 26th annual convention of the International Studies Association.

The term "South Asia" is generally taken to mean India and Pakistan. At this seminar, however, Pakistan alone claimed all the attention, India being generally regarded abroad as friend to Israel. The Jewish author-leader said that Israelis were cognizant of Pakistanis' training of several Arab forces and, as such, viewed them as involved...in the Israeli-Arab conflict. And Pakistan's nuclear development sharpens in Israel's mind the boundaries of conflict. The Jewish intellectual, however, pleaded for the exclusion of the possibility of Israel making a pre-emptive strike against Pakistan's nuclear facilities, saying "Israel is not going to do another Baghdad. Such things happen once in a century". But, he warned, that a lot depended on who was in power in Israel. "A Begin might think Islamabad was only four minutes away".

Let us go into the implications of Amos Perimutter's sombre observations. He first tried to lull Pakistan's suspicions on Israel's intentions. Coaxing a potential victim into complacency, or making a feint upon him, is an age-old trick. The idea is to take the victim unawares. This is what Israel plans to do, alone, or in collaboration with a trusted ally.

The Jewish professor claims that "Israeli policy-makers are concerned about Pakistan, but, their concern, at present, is peripheral. It is not a priority". Yet, according to Perimutter, "Israel is studying Islamabad's every move carefully and its intelligence organization, "Mossad", is doing everything to gather intelligence". Three points in this statement ought to be noted:

- a) Israel's concern, at present, is peripheral. This "at present" can be turned into a zero hour at any time,
- b) "Mossad" agents are active in Pakistan, directly or indirectly, and,
- c) Israel is assured of a refuelling base somewhere near Pakistan from where its F-15s could reach the target within four minutes.

The possible base in Israel nearest to Pakistan is Eilat, at the head of the Gulf of Aqaba. Maybe Israel has built a modern airbase there. The base from where Israeli F-15s took off to attack the Iraqi nuclear facility near Baghdad is not far either. But, to enter Pakistan's air-space, Israeli aircraft may encounter hostile skies enroute. They flew unnoticed to Baghdad, across unmonitored southern Jordan and northern Saudi Arabia. Such a sneak flight cannot be repeated. Besides, the distance to Iraq offered no problem. Israeli aircraft could fly all the way to Baghdad and back possibly without requiring any refuelling on the ground. If they did need it, a tanker aircraft might have met the requirement. But, Islamabad is a different proposition altogether. From Israel to Islamabad it will not be four minutes as "a Begin" might dream. It will be four light years.

If Israel decides to do it alone, its planes will have to overfly Saudi Arabia, the Gulf, and possibly southern Iran, nonstop before entering Pakistan's airspace obviously an impossible mission. Once over Pakistan, they will either need immediately to swerve north for Kahuta or land, as pre-planned, at a friendly base for refueling. What makes one think of the refuelling facility at a friendly airbase close to Pakistan? Answer to this is available in the detailed agency report on the same seminar.

The report adds, "Such a proposal (in collaboration with India) was aired with former Janata Party member, Subramaniam, when he visited Israel, but at least part of such an arrangement would have been that Israel would need refuelling rights in India". Maybe, such an arrangement does already exist. Who knows!! From Srinagar to Halwara and Adampur, India has established a ring of airbases to cover Pakistan. Any one of these bases could be placed at the disposal of Israel if "a Begin" decides to act on the "four-minute-to-Islamabad" programme which, according to Amos Perimutter, is being held in obedience "for the present". This construction of just three words is pregnant with all manner of sinister meanings.

It also suggests that Israel holds the initiative. According to Amos Perimutter, Israel is studying every move of Islamabad carefully and its intelligence organization, "Mossad", is doing everything to gather intelligence.

The moment "Mossad" hoists a danger signal, Israel will act. "A lot depended (however) on who was in power in Israel". This was the crucial point in Perimutter's speech. "A Begin" might think that Islamabad was only four minutes away. This "4-minutes" point has been examined in preceding paragraphs. Let us now see as to what Perimutter means by "a Begin".

He seems to suggest that the bloody Begin era is more or less over, that the villainy that went with his name stalks no longer through the land, and that "another Begin" may, if at all, take time to rear his head in Israel. Indirectly Perimutter is suggesting that the present head of government, Shamon Peres, is the very opposite of Begin, a "dove" who loves to coo all the time. What has been happening in southern Lebanon is, perhaps, Shamon's conception of a carnival. His defense minister, Itzhak Rabin, said the other day, most unashamedly, that Israel will continue what he described as "anti-terrorist" raids in south Lebanon even after complete troop withdrawal.

The whole world as represented in the UN Security Council, except the United States, has condemned Israeli massacres in the villages of southern Lebanon. The fact is that all Israeli leaders, at heart, are Begins, Shamirs, Sharons and Rabons. They differ only in names. Basically they are expansionists and their covetous gaze extends far beyond the Arab states in the neighborhood of Israel. Former Israeli Defense Minister, Ariel Sharon, (nicknamed by Arabs as "the butcher") wrote a paper in 1982, for the Institute of Strategic Studies at Tel Aviv University. In his paper Sharon revealed the reach of Zionist ambitions. Entitled "Israel's Strategic Problems in the 80s", Sharon outlined "a policy that stretches Israel's sphere of strategic and security interests from Pakistan, Turkey and Iran, across the Arab world and deep into Central Africa.

It commits Israel to military interdiction of any mass movement of military forces from one Arab country to another in a way that seemed to threaten Israel". Holding the bombing on Iraq's nuclear reactor as a model, Sharon's paper also "commits Israel to pre-empt access to nuclear weapons not just by (Arab) neighbors, but by any potential confrontation state. "We shall have to prevent such a threat at its inception", said Sharon in his paper.

Doesn't it accord perfectly with Amos Perimutter's warning that "a Begin might think that Islamabad was only four minutes away? And, mind you, super-hawk Sharon, popular with the jingoes in Israel, does stand a chance to become his country's prime minister.

Now, a word about "Mossad" which is "doing everything (in Pakistan) to gather intelligence". Pakistan doesn't recognize Israel. As such, there is no Israeli consular or trade office in Pakistan. Normally such offices serve as hide-outs for intelligence agents and spies. Where and how do the Mossad agents operate in Pakistan? Obviously through the embassies and consulates of friendly countries. It is not difficult to identify the countries friendly to Israel. Even outside or independent of friendly embassies, "Mossad" agents are smart enough to operate on their own.

7

Multilingual, a "Mossad" agent can masquerade as a trader, engineer, doctor, teacher or even as a maulvi [cleric]. "Mossad" is supposed to be the world's most efficient and ruthless secret organization, superior to MI5 of Britain, America's CIA, and Russia's KGB. It has a history of reacting vigorously to any prospect of a threat to Israel's security. In 1960, President Nassir engaged a team of German scientists to develop longrange rockets capable of showering Israel with atomic waste. Hardly had the German scientists settled down to serious work when they received parcel bombs. One of them was seriously hurt. The team packed up and went back to Germany.

Two years before Israel bombed Iraq's nuclear installations, "Mossad" agents planted time-bombs on the plant that was about to be shipped to Basra from France. They followed it up by murdering Yehia el Moshad, the 48-year old head of the Iraqi Atomic Energy Agency. He was bludgeoned to death in his hotel room in Paris.

To sum up, Pakistan needs to heighten its vigilance both on the ground, for "Mossad" agents, and in the air, to shoot out of the skies, possible intruders from any direction. We must never lower our guard even for a moment.

CSO: 4600/371

PAKISTAN

PRIME MINISTER URGED TO WORK FOR CLEAN ADMINISTRATION

GF060911 Karachi DAWN in English 1 Apr 85 p 7

[Editorial: "Imperatives of Clean Administration"]

[Text] After having assumed the office of prime minister, Mr Mohammad Khan Junejo has naturally been taking stock of those aspects of public life and administration which appear to call for early attention. Although there are still many political uncertainties in the country, specially those surrounding the recent constitutional changes, the question of the restoration of fundamental rights and the position of political parties in the new dispensation, the new prime minister has been proceeding on the assumption that there will be no drastic change. As such, he has even drawn up what amounts to a sort of post-election manifesto. He has pledged to effect improvements in many walks of life, including the political, but of special significance is the promise he has held out of reforming the bureaucracy. In his very first speech after winning the voice of confidence in the National Assembly, the prime minister mentioned that corruption was rampant in the administration and had increased during the last several years. Stating that this problem would receive his immediate attention, he said that the new administration will be accountable to the people and responsive to their needs.

One misconception the prime minister seems to hold should be corrected immediately. This is his allusion to rampant corruption at the lower levels of the administration. While there is certainly corruption at the lower levels, the more deadly type is the one that exists at the top levels. Without a corrupt upper tier, corruption simply cannot be "rampant" at the lower levels. There will certainly be a little bit of it, but mostly it will be on an individual basis, and not the organized rapacity of the most ferocious kind in evidence today. Merely refraining from taking tough measures to curb corruption is enough to indict those low-level people who would like to claim that their own hands are clean. The bureaucracy in Pakistan is an extremely powerful, evergrowing and self-perpetuating body, and a number of past rulers in the country have claimed that they were undone by the bureaucratic machine. It is not surprising, therefore, that governments of all kinds are very considerate in their dealings with the bureaucracy, often in the wrong way, in spite of claims that they stand for an efficient and clean administration.

For a number of reasons an elected civilian government is under a greater compulsion to take up the task of curbing corruption in the bureaucracy. Mr Junejo is quite correct in considering the problem of official corruption as one of the most serious tasks facing the country. The spread of the bureaucracy, without the trammels of accountability before representative political institutions, and mass media scrutiny, has made it into a pervasive influence, so that people are wrapped in its tentacles from birth to death. No doubt, permanent services have done much good to the country. But we are dealing here with bureaucracy as a way of managing national life and as an outfit which, in the absence of parliament, a free press and an articulate public opinion, becomes a partner in the establishment, takes a direction of its own choosing, and develops techniques of guarding and promoting its group interests and privileges. In this situation the bureaucracy also becomes an ally of the vested interests. Top-heaviness, a great proliferation of bureaucratic outfits managing public assets and enterprises, and a lowering of efficiency and productivity are now important features of the working of our officialdom. The increase in bureaucratic power has led to severe distortions in planning and in the ordering of priorities. The result is that today we are left with an emasculated education and health system, to give the most glaring example.

The cleansing of the Aegean Stables of the officialdom will call for a host of measures. The most important of these is to subject the bureaucracy and its operation to public accountability through parliamentary checks and audits and through popular scrutiny by means of detailed but objective mass media reporting. This should naturally extend to the stewards of public industrial, commercial and service enterprises. The adequacy of laws which can provide insurance against a betrayal of public trust by such stewards should be examined and any loopholes they may have be covered. There should be an incorruptible machinery to investigate the cases of those public functionaries who have a reputation for being corrupt and who live beyond their means. A beginning must be made with the big fish. Those proved guilty of corruption should have their ill-gotten assets forfeited and their cases, together with photographs, should be supplied to the newspapers for publication. A campaign of this kind will get off to a promising start and in course of time produce a salutary effect in curbing official abuse of power for illegal gains.

CSO: 4600/371

- END -

END OF

FICHE

DATE FILMED

9 MAY 85